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ABSTRACT

In response to a Montana School Boards Association (MSBA) resolution, this report develops alternatives and recommendations on school district reorganization for submission to the Montana state legislature. The first section examines the history of school district establishment and consolidation in Montana, and points out public opposition to reorganization and the legislature's failure to act on dozens of reorganization proposals over the years. In the early 1990s, a state budget crisis focused taxpayer attention on the cost of education in Montana, and school consolidation quickly became a hot political issue. Next, sections of the report: discuss who's in charge of Montana's public schools, particularly with regard to the consolidation issue; recognize that the goal is to improve a good system, not replace a failed one; describe the current structure of Montana's 503 school districts; examine seven reorganization options that range from doing nothing to creating a single statewide district; discuss the generally higher costs but potential educational benefits of small schools; and portray the fiscal impact of selected reorganizations of the past 20 years. Recommendations to the legislature include measures that encourage elementary and coterminous high school districts to form K-12 districts, that establish a minimum acceptable size for nonisolated high schools, and that encourage the use of distance learning technology and cooperative agreements. Contains 36 references and school district information in tabular form. A supplementary page, titled "School District Reorganization: A Retrospective" and dated September 1993, describes dissemination of the draft report to MSBA members and their responses and provides corrections to the report. (SV)

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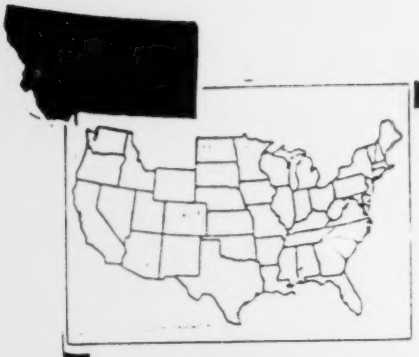

# SCHOOL REORGANIZATION IN MONTANA

## *A time for decision?*

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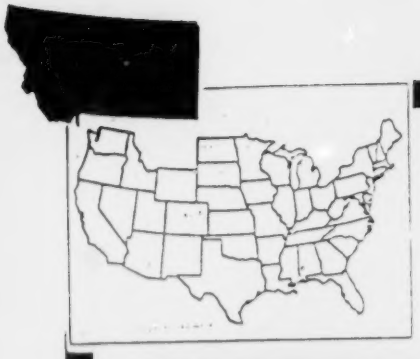

# SCHOOL REORGANIZATION IN MONTANA

## *A time for decision?*

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*A Report Prepared*

*for the*

MONTANA SCHOOL BOARDS ASSOCIATION

*by*

TED SCHWINDEN, DIRECTOR

LYNDA BRANNON, RESEARCH ASSOCIATE

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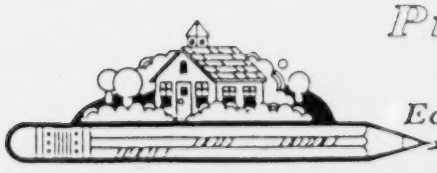

*Project* SEEDS

*Schools as Effective and Economical Delivery Systems*

*This is a finalization of the SEEDS Report as prepared by former Governor Ted Schwinden for the Montana School Boards Association. A copy of the Report was mailed to each trustee, superintendent, clerk, and county superintendent in April.*

# School District Reorganization -- A Retrospective

**By Ted Schwinden, Director**
**Project SEEDS**

In April 1993, nearly two thousand copies of the discussion draft of the report "School Reorganization in Montana--A Time for Decision?" were distributed to Montana school trustees, administrators and other interested parties. Prepared in response to the resolution adopted by MSBA at its October 1992 convention, the draft report included some general conclusions relative to the feasibility of district unification and consolidation. The report also made nine specific recommendations for consideration by MSBA "after feedback from individual districts and other interested parties."

Over the first three weeks of May the project director joined MSBA staff in ten workshops across Montana where more than seven hundred trustees and school officials had the opportunity to question and respond to the draft report. As anticipated, most interest was generated by the recommendations related to the issue of small high schools. Not surprisingly, most of the comments on that issue came from trustees and administrators of small schools. Occasional concern was expressed that the focus of the report was too narrow, but reiteration of the MSBA resolution which defined the scope of the study seemed to satisfy most questioners. One Montana school administrator suggested that the report should have expanded the discussion that led to Recommendation #9 urging the use of technology in expanding the programs of smaller schools. The author believes that the future potential of distance learning technology is still uncertain in terms of both cost and general utilization. Nonetheless, it deserves consideration by school leaders as a teaching/learning tool.

Media coverage of the report recommendations, coupled with scattered editorial comments, stimulated few written comments--a total of only ten letters was received by midsummer. Two letters touched on the small school issue, a few were complimentary of the report, and some identified factual errors that are responded to below.

On page 23 of the report the name of Al McMilin, Superintendent of the Townsend school was misspelled, and that editorial oversight was compounded by the failure on page 25 to note that Broadwater is no longer a "county" high school and operates currently as a unified district. The report should also have noted that the editorial cited on page 13 of the report repeats the erroneous assertion that Montana has "something like one out of every ten school districts in the nation." Actually, Montana has only 3% of the U.S. school district total.

The project director is at a loss to explain the rather benign reception with which the report conclusions and recommendations were received. However, given that reality, the discussion draft as submitted in April will constitute the final report to the Association with the inclusion of these summary comments and corrections. It is anticipated that all nine of the Project SEEDS recommendations will be presented to the MSBA membership. From those discussions, if the Association follows through on its 1992 resolution, a proposal will be submitted to the Montana legislature for its consideration.

The author is reluctant to speculate as to the future of the Project SEEDS report. Perhaps, as one member of the media suggested, it will quickly gather dust on some forgotten shelf. More likely, the debate on the report recommendations and the issue of consolidation will reflect the profound wisdom expressed some years ago by Yogi Berra of baseball fame: "It ain't over 'til it's over!"

The

# PESSIMIST

complains about the wind;

The

# OPTIMIST

expects it to change;

The

# REALIST

adjusts the sails.

Author Unknown

## WITH APPRECIATION

The project director wishes to express his personal thanks to the Montana School Boards Association and its Executive Director Bob Anderson for their confidence and support throughout the preparation of this report.

The research assistance of Lynda Brannon was critical to the development of the statistical data included in the report. Her familiarity with school finances and education officials throughout the state proved to be invaluable in collecting and confirming the models of past school consolidation experiences in the state.

Preparation of the report would not have been possible without the support of the MSBA staff, whose talent, encouragement, and good humor were always available ... and crucial ... to its completion.

A special thanks to US WEST and IBM for their generous financial support of the Project SEEDS effort.

Thanks also to the many other contributors, individual and organizational, within and without the educational community, whose willingness to provide information and counsel was essential if the report was to adequately reflect the broad areas of interest in such a sensitive issue.

Finally, this report is dedicated to Dr. Richard Roeder, respected scholar, tireless researcher, good friend. Had unexpected illness not intruded in his life, his contribution to this study would have been invaluable.

Ted Schwinden
Director
Project SEEDS

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## PROLOGUE

*"... one of the most formidable barriers to excellence in the schools (is) ... diminishing public commitment."*
Ernest L. Boyer

The temperature hovered at a bitter minus eleven degrees when I drove up to the rear of Kessler Elementary on the western outskirts of Helena. The double doors were blocked open an inch or so with a scrub brush, and a helpful janitor pointed me to the room where the trustees of stand-alone Elementary School District Number 2 were gathered at their regular February meeting.

A quick look around confirmed that Kessler is a "used" school, evidencing recent additions to a building dating back generations. Educational paraphernalia was scattered about in classrooms that had accommodated nearly 300 students a few hours earlier.

Entering the board room to a warm welcome, I joined three other visitors ... two prospective board members and the mother of a kindergarten student currently enrolled in the school. Board Chair Janelle Balazs called the meeting to order and, after approval of the minutes of the January meeting, the board took up claims. Of particular concern was the size of a recent water bill which had prompted a payment delay, and a letter to the city manager. In response, the city conducted a water audit, and issued a warning of service cutoff for non-payment. Advised that the dramatic increase in the water bill was a result of a different lawn watering pattern, and three leaking faucets in the building, the board approved payment, and instructed the principal to make sure the faucets were fixed.

The telephone bill was next on the agenda, and a budget-busting problem with long distance calls produced a motion to develop a telephone log to better control use. With claims approved, the board skipped down the agenda to the item identified as "SEEDS Project--Ted Schwinden."

SEEDS and Schwinden were on the agenda as a result of a telephone call a week earlier from the district clerk, relaying a request to provide the board with an opportunity to provide input into the MSBA study. A

subsequent call to Mrs. Balazs resulted in an invitation to the February 16 board meeting.

The board wanted an explanation of my research efforts; I wanted their opinions and ideas relative to the issue of district reorganization. My explanation was necessarily lengthy; their input was brief and to the point.

Mandated consolidation of their school with the larger Helena system, they contended, would result in "loss of local control" and "reduce the accessibility and responsiveness of the school" to the district citizens it served. The individual board members ... 3 education professionals in another school district, 2 'private' citizens ... were adamant in their opposition to consolidation, and enthusiastic about the efficiency, effectiveness, and "esprit de corps" of the Kessler staff.

Given the level of their endorsement of their stand-alone system, I felt compelled to ask if they felt that the twelve comparable elementary schools in the larger Helena District 1 would be better served if they were separate districts with locally elected trustees! A moment's hesitation, a few shared glances, and then unanimous agreement that such a structure would be beneficial to students, staff and parents. As I left, Principal Sharon Walker passed me a six page summary of a recent in-house evaluation identifying, among other priorities, "site based decision making." I got the message ... leave us alone!

Driving back to the motel, any doubts that I had retained that school district reorganization was only a matter of numbers ... dollars and cents ... and common sense ... faded faster than the frost on the windshield!

## INTRODUCTION

> *"The mission of the public schools is to meet the diverse educational needs of all children and to empower them to become competent, productive contributors to a democratic society and an everchanging world."*
>
> Washington State School Directors' Association

In October, 1992, the Montana School Boards Association (MSBA) adopted the following resolution:

> RECOGNIZING THE IMPORTANCE OF THE DEBATE ON CONSOLIDATION AND UNIFICATION, MSBA WILL DEVELOP A PROPOSAL TO SUBMIT WITHIN 12 MONTHS TO THE LEGISLATURE AFTER CONSIDERATION AND FEEDBACK FROM INDIVIDUAL DISTRICTS AND OTHER INTERESTED PARTIES.

In November, Robert Anderson, Executive Director of MSBA, on behalf of his organization, asked me to direct a project to develop a credible response to the resolution for submission to the Association. Initially, the project was contemplated as a joint effort with the respected historian, Dr. Richard Roeder, as research associate. Unfortunately, medical problems prevented Roeder from participating.

After a brief and unsuccessful search for a replacement researcher, it was agreed that the report would consist primarily of research by Schwinden, with support from the MSBA staff when available. With the concurrence of MSBA, the expertise of Lynda Brannon in the subject of school finance was assigned on a part-time basis to the project. Her responsibility was to develop the data necessary to validate the modeling essential to the report.

This report responds to the MSBA resolution in that it constitutes a discussion draft to be considered by school trustees across the state. It also reflects the contributions of a large number of Montanans whose ideas and input have been solicited on an ongoing basis. In the final analysis, however, total responsibility rests with the author, and represents his best effort to combine extensive research and broad input into a readable and, hopefully, meaningful product.

While the MSBA resolution established with reasonable clarity what the finished proposal was to be, it seems imperative at the outset to

indicate with comparable candor what the report is NOT. It most certainly is not a professionally-produced research effort with a title page adorned with the names and impressive academic credentials of out-of-state consultants.

The author is a product of the Montana educational system ... from a one room rural elementary school in Northeast Montana through a graduate degree at the University of Montana. That admission carries with it an inherent, and acknowledged, bias: an unwillingness to accept as fact that the system somehow shortchanged him or the thousands of other Montana youngsters then and now who have benefited from it.

This report is not intended to be a criticism of the educational establishment, or of the generations of Montanans who, year after year, generously contribute their dollars and their time to our public schools. However, given that budgetary pressures show little evidence of decreasing, our focus must be on the future and on the steps we could, and should, take to maintain and improve the quality of our elementary and secondary schools.

As the study will document, this report is not the first time that the issue of school district reorganization has been a subject of legislative interest. It is, however, the first time that the elected trustees of Montana school districts have taken the initiative in directing an evaluation of the present structure with a view to reforming it.

In any event, neither past nor present study is likely to be THE final answer to the districting issue. If the experience of other states teaches us anything, it is that ending the debate as to the most efficient administrative structure and the most appropriate focus of control in our public schools is highly unlikely!

It should not be necessary to point out that this report to the MSBA does not include an exhaustive examination of the quality of Montana's kindergarten through grade twelve (K-12) system. Issues such as classroom size, teachers salaries, funding equalization, and special education, e.g., are well outside the scope of this effort. Monetary savings that might be realized as a result of consolidation or unification are obviously a concern of the research. However, time constraints and common sense dictate that cost comparisons cannot be pursued for every combination of districts that might be contemplated in the future.

The preceding explanation of what this report is NOT, is intended to remind readers ... and the writer ... that the directive of the MSBA was to develop reorganization alternatives and recommendations for their consideration and subsequent submission to the legislature. To that end, the report will first review the history of past school district reorganization efforts in Montana so that we might learn from our past successes, and our past mistakes.

In an effort to correct some of the myths and misconceptions that all too often have characterized the public and political debate about consolidation and unification, the report will also briefly describe the current district structure and the current state of the K-12 delivery system in the Treasure State. Then, using financial data from the most current fiscal years available, mathematical models will be developed to illustrate the fiscal impact of selected reorganizations that have taken place over the past two decades.

Finally, the report will examine alternative proposals for school district reorganization and methods of implementation ... voluntary and mandatory ... and make some recommendations for MSBA to consider. After review by trustees and other interested parties, the report will be finalized and presented to the MSBA at its annual meeting in the fall of 1993.

## A HISTORY OF FAILURE ... OR SUCCESS?

> *"It seems common sense that Montana could well reduce its districts to the number of high school districts, thereby creating more efficiency and economy in school district finance and more leadership in the educational programs to provide quality education, and more specialized programs to adapt to individual needs."*
>
> C.R. Anderson

The newly-created state of Montana wasted little time in focusing its attention on the need to provide an appropriate educational system for its citizens. The 1889 constitutional framers, and the early legislative assemblies, acted promptly to assure that free, common schools would be available to Montana children -- continuing a priority established a century before at the national level. And, it was not long before the state initiated the first attempts to organize school districts in a manner consistent with good management.

In 1899, e.g., the Montana legislature addressed the issue of establishing school districts of sufficient size to permit adequate funding. That year, legislation was adopted creating county high school districts and authorizing a tax on the entire county for the building, maintenance and operational costs of the school. Since no county in 1899 had more than one high school, the measure made sense. Unfortunately the legislature of 1899 could hardly anticipate the later phenomenon of county-splitting, and the emerging disparities in taxable valuation within counties that would encourage the establishment of new school districts as "tax havens."

Even without legislative mandate, local school leaders initiated reorganization efforts. In 1911, four Bitterroot elementary schools consolidated at the urging of the county superintendent. Their effort met with praise from State Superintendent Harmon, whose 1912 report complimented the locals for solving their student transportation challenge. He noted that the consolidated districts had purchased five wagons at a cost of $225 to $242.50, each of which could accommodate 18-25 children. In cold or bad weather, Harmon added, "... the wagons can be closed by rubber curtains. Each wagon is provided with six lap robes and ... each is supplied with four Clark footwarmers"![1]

In the seven decades that followed the passage of the 1899 law, only one major piece of reorganization legislation was enacted -- in 1919. The County Unit Law passed that year did not require consolidation, providing only that "... any county ... which shall elect to accept the provisions of this act ... (shall) constitute a single district to be known as the 'Rural School District' of the county ...". [2]

The 1919 legislation differed from that of 1899 in that it applied primarily to third class districts, those with a population of less than 1000. Over time, only three counties (Cascade, Choteau, and Carbon) were to take advantage of the law and, in 1941, the legislature repealed it.[3]

Roland Renne, in a 1936 assessment of the public school system in Montana, attributed the failure of the 1919 law to the fact that many people blamed the rapidly rising school costs in the early 1920's on the County Unit Law. Renne also noted that, while the law centralized taxing, it decentralized school authority. Since the county superintendent, the county board of commissioners, and the local trustees ... all elected officials ... shared authority, cooperation was difficult. [4]

In an ironic coupling of events, as the Great Depression intensified across America in 1930, the number of school districts in Montana peaked at an all time high of 2439![5] Over the next two generations, without legislative intervention, the number of operating school districts in the state slowly decreased to the current total of 503, a reduction that had a direct correlation to the declining farm population of the state which fell by two-thirds between 1920 and the present.

The absence of any significant legislation relating to school district consolidation should not be interpreted to mean that the legislature ignored the issue. To the contrary, in the period between 1930 and the mid-1960s, more than fifty proposals relating to reorganization were introduced in the legislature.[6] None, however, even came close to passage in both houses.

The absence of legislative progress in school district reorganization, may have encouraged the decision by the State Board of Education to try its hand in the game. In September, 1933, the Board listed among its new regulations an accreditation standard requiring that two-year high schools have at least 20 students, and four-year high schools have a

minimum ANB of 40.[7] More than fifty high schools would have been closed by the imposition of the Board of Education standard. The public reaction was immediate and outraged. The Board promptly reversed its action.

Given the continuing interest in the issue of reorganization, and the repeated failures of the legislature and the Board of Education to act, the 1945 legislature directed Governor Sam Ford to appoint a commission to review consolidation options and report back to the following session. The subsequent 1946 commission report proposed that schools throughout the state be reorganized into enlarged districts established by county committees. A nine-member state committee appointed by the governor would direct the work of local groups, which were required to establish new district boundaries with at least one high school in each. Although Ford endorsed the commission recommendations and they narrowly passed the house, they were rejected by the senate.[8]

Following the defeat of the 1947 measure, a group met in Helena in 1948 and formed the "Montana Citizens' Committee on Education". That Committee developed a series of recommendations which removed some of the provisions of the 1947 commission report that were found most objectionable by consolidation opponents. The revised 1949 proposal, e.g., did not include compulsory reorganization, and did permit a public vote on any reorganization proposal. Moreover, an earlier provision that no district would receive state aid without being reorganized was dropped. The Citizens' Committee also made a part of its report to the legislature the historic school funding proposal that was to become the state public school Foundation Program.

The current controversy and ongoing court struggle over school funding and equalization traces directly back to the 1949 legislative session and the enactment of the School Foundation Program. During that same session, the fifty-year struggle to streamline the educational delivery system begun in 1899 ended -- at least temporarily. The Board of Public Education noted in its 1987 report to the legislature that, in 1949, "... the citizens of Montana were ready for a new funding formula for public education, but they were not ready to reorganize the schools."[9]

A decade after the failure of the legislature to adopt the comprehensive reorganization proposals that were incorporated in the 1949 legisla-

tion, the legislature once again tackled the school issue. Chapter 226, Laws of Montana, 1957, directed Governor J. Hugo Aronson to appoint a ten-member commission composed of representatives of business, labor, farming, livestock and education to study and report on school funding and district reorganization.

The Montana Taxation-Education Commission, chaired by the distinguished State Senator D. M. Manning, contracted with the George Peabody College for Teachers, Nashville, Tennessee, for a comprehensive study of selected school problems. The $13,000 Peabody study was funded in part by the newly-created Legislative Council. By agreement with the Commission, the Peabody study was to be limited to Organization and Administration; Elementary Education; Secondary Education; and School Finance.[10]

Nearly forty years later, the Peabody Report retains a striking relevance to the current debate over school district reorganization in Montana. It should, in fact, be required reading ... a primer ... for decision makers of the present.

The Peabody Report observed that "The serious need for school district reorganization is well recognized in Montana ..."[11] and proceeded to respond to that recognition by recommending, in part, that the legislature mandate:

> "every elementary school district to merge with its high school district so that **ONE** board governed all education in an area ...", and
>
> "state policies and regulations withdraw accreditation and financial support from nonisolated schools which cannot justify their existence (in terms of subjects offered, size of staff and enrollment, nearness to a larger school, etc.) ..."[12]

Strong stuff! Not nearly as strong, however, as the language that urged that reorganization by local districts be rejected in favor of legislatively imposed standards. While recognizing the role that lay citizens can and should play in educational policy and decisions, the Peabody Report concluded that "there are some aspects of education in which lay participation has little to contribute, and in which deference to popular man-on-the-street opinion leads to the abandonment of authority and professional judgment"![13]

When the Taxation-Education Commission submitted its report to the governor in November, 1958, it incorporated many of the most significant recommendations of the Peabody study. The legislature was urged to legalize only one kind of school district to provide all public school services in a given area, and further require that "all school districts ... operate schools from Grade 1 through Grade 12".[14] The Commission also proposed that a local school study commission be created in every county, and that procedures be established to insure operation of "... only those high schools which are defensible from both an economic and educational viewpoint ...".[15]

Once again, the legislature was provided, at its request, with major recommendations for school district reorganization. Once again, the legislature failed to respond. The fact that the Legislative Council had helped finance the Peabody study may have contributed to the lack of positive legislative action in 1959. The Council was in its first interim of operation after surviving a stormy beginning. Subsequent legislative history was to document that some of the divisiveness that surrounded the creation of the Council was slow in dissipating. In the early 1960's, Council recommendations that followed Council studies mandated by the legislature met with minimal success when the full legislature convened in the following session.

Although the 1959 legislature passed no specific district reorganization laws, it proposed yet another study. House Bill 306, introduced by Representatives Barrett and Hawks, created a commission to be appointed by the Superintendent of Public Instruction consisting of legislators, school administrators and school trustees. With its $25,000 appropriation, the commission was to provide a "complete study and review of the organization of school districts in each county ... (taking into consideration) the convenience of the pupils, obstacle to transportation including mountains, rivers and existence or non-existence of highways, representation on the boards of trustees of enlarged districts of each board of trustees of all rural and outlying areas, and the financial support of the schools with equitable taxation of property for school purposes." No small agenda![16]

Despite overwhelming legislative approval, H.B.306 received a cool reception in the office of the governor. In his March 16, 1959, veto

message, Governor Aronson described the purpose of the bill as worthy and laudable, but criticized the proposed membership of the commission for failing to include representatives of business, labor, farming and livestock.[17] The Galloping Swede also expressed his displeasure at the $25,000 price tag of the study commission, noting that the recommendations of the Peabody group and the Manning Commission were available. As an alternative, Aronson proposed that the superintendent of public instruction could create a study group and approach the following session with a claim for costs incurred!

In the years that followed the Peabody report the issue of school district reorganization drifted off center stage. One can only speculate as to the reasons for the shift of focus away from an issue that had been a topic of intense political concern for so many years. Perhaps the changes that were beginning to take place as the decade of the 1960's opened left little room for debate about school district reorganization.

In 1961, the historic dominance of the Anaconda Company-Montana Power Company alliance in Montana politics sharply diminished as the two entities pursued differing objectives. Coincidentally, the sale of the Anaconda daily newspapers to the Lee chain invigorated the Montana media, and spawned an ambitious and talented corps of young reporters who opened up the political process to public scrutiny. The Vietnam war and the rising tide of antiwar activism was creating wounds whose scars were to take another generation to erase. And, late in the decade, the sales tax emerged as a divisive political issue that ultimately ended sixteen years of GOP control of the governors' office.

Undaunted by the potential for controversy and the lack of interest in school district reorganization in the 1960's, newly-elected State School Superintendent Dolores Colburg made a strong case for changing the public school delivery system as the decade of the 1970's began. Writing in the Montana Business Quarterly in 1972, Colburg argued that "School district reorganization is one of the singularly most important concerns confronting Montana education today".[18] The state school chief asserted that "... our present-day antiquated, outmoded, inefficient, uneconomic, and cumbersome school district structure has a direct and significant impact on the quality of education that our schools are able to provide," and she added that "In truth, perhaps present school district

organization is a hindrance to equal educational opportunity." Despite that harsh assessment, however, Colburg concluded that "The closure of schools is and should remain the prerogative of the people and the boards of trustees of the school districts themselves" and that decisions on school operation must continue to be made on the basis of "... local needs, interests, availability of personnel and services and public convenience."[19]

Colburg's appeal for action on school district reorganization fell on deaf ears. If the 1960's were destined to bring Montana out of the 19th century, the decade that followed was to prepare it for the 21st! In the words of one respected Montana historian, the 1970's were a decade of "revolution."[20]

In 1960, the U.S. Census Bureau defined Montana for the first time as an urban state, with a majority of its people residing in a half-dozen counties. The urbanization of the state was promptly followed by legislative reapportionment, a reform mandated by Montana courts following the U.S. Supreme Court implementation of the 'one man-one vote rule'. The citizens of Montana, informed and encouraged by the invigorated Montana media (now including television), were prepared for change. State government promptly responded with a major reorganization of the executive branch, and the passage of a constitutional referendum that was narrowly approved by the voters. Environmental issues literally exploded as the prospect of massive coal mining in southeast Montana brought predictions of widespread devastation and social upheaval.

The old issue of school district reorganization may have wound up on the back burner in part due to public preoccupation with the unprecedented wave of political reforms. A more likely explanation may well lie in the fact that the 1970's were a time of escalating inflation, population growth ... and general prosperity! History provides ample evidence that demands for tax reform and calls for governmental efficiency are much less likely to arise in good economic times than in times of economic stagnation and budget deficits. The late 1980's and early 1990's were to prove once more the validity of that axiom.

If the 1970's and the 1980's were decades of relative calm insofar as the issue of school reorganization was concerned, the state budget crisis that emerged in the 1990's shattered that tranquility, and sharply

focused the attention of taxpayers and voters on the cost of education in Montana. The reality of a budget shortfall estimated to exceed $300 million at the beginning of the 1993 legislative session led to new demands for school efficiency and the elimination of "frills".

An irate Missoulian editorial writer, in November before the legislature convened, took sharp exception to the idea that school consolidation would not save money. "Common sense argues otherwise" the editor asserted, noting that "Montana has something like one out of every 10 school districts in the nation--far more than can be justified by the number of students being educated."[21] Alleging an excessive number of school administrators and trustees, support systems and state regulators, the Missoulian concluded that if 56 counties could serve the needs of Montana parents, then 56 school districts could do the same for their children.

The opening salvos of a new attack on the existing educational delivery system may have been launched by the media, but politicians of both parties were also coming up with solutions. From the governor's office and from the halls of the legislature, proposals were offered that ranged from mandated countywide districting to narrowly-focused efforts to control administrative and extracurricular costs of public schools.

Unfortunately, but inevitably, the political debate over school administration became emotional, and traditional divisions between rural and urban jurisdictions were quickly reestablished. The 1993 legislative session was barely underway when a proposal by Representative Swanson to financially penalize small, non-isolated high schools for failure to consolidate was heard in a House committee. In Swanson's words, the measure encountered a "tornado" of opposition.[22] Research on this report was barely underway and school consolidation already appeared to be a political issue "too hot to handle".

## MONTANA'S PUBLIC SCHOOLS--WHO'S IN CHARGE?

*THE SUPERVISION AND CONTROL OF SCHOOLS IN EACH SCHOOL DISTRICT SHALL BE VESTED IN A BOARD OF TRUSTEES TO BE ELECTED AS PROVIDED BY LAW*

Article X, Section 8, Montana Constitution, 1972

Article X, Section 8, of the Montana Constitution appears to bestow upon local school district trustees extensive control of their local schools since the language adopted by the 1972 convention delegates is significantly different than Article XI, Section 10, of the original 1889 constitution. The earlier document provided only that "The legislative assembly shall provide that all elections for school district officers shall be separate from those elections at which state or county offices are voted for."

Debate during the 1972 convention also seemed to reflect a desire by the delegates to strengthen authority of local school trustees. When the Education and Public Lands Committee brought its report to the floor of the 1972 convention on February 22, Section 8 essentially represented a reiteration of the provision in the 1889 constitution concerning trustees. The new section provided only that "The legislative assembly shall provide for elections of school district trustees."[23]

Weeks later, when Delegate Champoux moved for adoption of Section 8, a short but spirited debate ensued. Delegate Helliker expressed concern for the autonomy of local schools, particularly in light of the trend toward more substantial financial contributions from the state. He went on to ask that the convention "... give constitutional recognition and status to the local boards ..." to allay fears and be parallel to the treatment given universities through the regents.[24] Committee Chairman Champoux responded in a very positive manner, reiterating the belief of his Committee that "... the local school board is the very basic foundation of our educational program ..." and the convention "... does want local control to remain with the local school districts ...".[25]

Delegate Helliker sought to amend Section 8 by adding that "The supervision and control of schools in each district shall be vested in a school board."[26] Delegate Mahoney, a long-time senator from rural Garfield County, rose to defend local school trustees, and expressed his concern by saying "I'm afraid we are building the State of Montana into

one school district ...".[27] Champoux then vouchsafed that local boards "... are probably 200 percent more involved in this Constitution than they ever were in the last ..."![28] The amended Section 8 was then adopted and, as redrawn by the Committee on Style, assumed its present form in our Constitution.

The first test of the extent of local school trustee control was not long in coming. In a 1976 court case involving the issue as to whether a dismissed teacher could secure a hearing before a County Superintendent for relief from a local school board decision, the Montana Supreme Court found for the plaintiff. The Court reviewed the transcripts of the constitutional convention noted above and rejected the assessment that Delegate Champoux had made regarding '200 percent more involvement' by boards than in the past. The Court concluded that "... it appears that the delegates were chiefly concerned with the preservation of *existing local board control and power* -- not with expansion of local power and control."[29] The Court went on to add that "There is no doubt the local boards of trustees are subject to legislative control and do not have control over local schools to the exclusion of other government entities."[30] It should be noted, however, that since teachers had been able to appeal dismissals prior to the adoption of the new constitution, the legislature could reasonably be expected to allow such appeals to continue after its adoption.

The 1972 constitutional delegates also saw fit to insert another element into the public school administration formula. Article X, Section 2, (3) created a "... board of public education to exercise general supervision over the public school system ...", with its duties to be prescribed by law. While the Board of Public Education, to the present time, has exercised no direct responsibility in the area of school district reorganization, exercise of its authority over such policies as curriculum and accredication can have a major impact on schools.

The 1972 constitution also created the office of Superintendent of Public Instruction, a position to be filled by general election every four years. Article X of the 1972 constitution provides that the superintendent is a member of the State Board of Land Commissioners, and serves as an ex-officio member of the Board of Public Education. However, it is clear that the major day-to-day responsibilities of the superintendent are

those specifically established by the legislature. While those duties are extensive, they are subject to legislative control; historically, the superintendent has rarely intervened in school district reorganization issues.

So, as the debate over the issue of school district reorganization continues, the question of who is in charge receives a mixed response. While the Montana Supreme Court has ruled that the control of local trustees is subject to legislative authority, the state constitution strongly reinforces the philosophy that local elected officials are to have a strong voice in local school decisions.

The State Board of Public Education is a major player in the educational game with a role difficult to measure. Certainly the Board could utilize accreditation standards as a reorganization tool under its constitutional authority to "exercise general supervision over the public school system."

The policymaking role of the superintendent of public instruction is effectively restricted to input on the boards of public education and land commissioners. However, as the most visible statewide elected education official, the superintendent could exercise an important leadership role in the school district reorganization debate.

Without question, the legislature has the potential to dominate the reorganization debate and decide the fate of local schools. For more than a century it has pondered decisive action but rarely acted in a decisive manner.

Who controls Montana's public schools, particularly as regards the reorganization issue? Historically, local boards of trustees in the absence of major participation by the other constitutional entities have been the driving force in reducing the number of school districts by nearly 2000 in the last sixty years. The question today, then, is whether that pattern will be continued in the future.

## IF IT AIN'T BROKE ... DON'T FIX IT!

> *"We must not act in haste and run the risk of forever crippling our children's opportunities. We must remember that schools don't belong to the bureaucracy, children don't belong to the bureaucracy, they belong to people--to families and communities."*
>
> Superintendent Nancy Keenan,
> Address to a joint session of the 1993 Montana legislature

> *"It is well known that the quality of education in Montana is among the highest in the nation."*
> Report by John Adams and John Pincus, Rand Corporation, for the "underfunded schools suit" in 1993.

In an excellent report prepared for the Nebraska Rural Community Schools Association in 1988, Dr. Jonathan Scher began with the following statement:

> "Viewed from afar, Nebraska seems like a state that has solved the educational riddles baffling the nation."[31]

Early in my research I encountered the Scher paper and the observation expressed by him was one that troubled me in reflecting on the Montana K-12 system. In my experience, it had also seemed to me that the national education crisis documented weekly in the media--dangerous schools, high dropout rates, illiterate graduates--had only minimal relevance to Montana.

In recent months, however, political leaders and editorial writers have expounded at length on the shortcomings of the educational delivery systems in Montana, especially with regard to top-heavy administration and the overabundance of school districts in the state. Outgoing Governor Stan Stephens made reorganization a major priority in identifying a host of educational reforms. The 1993 legislature also made reorganization an initial focus of concern, as evidenced by the introduction of legislation that ranged from a bill to shift a significant part of the costs of small schools to local taxpayers, to various measures to limit school administration costs that would be financed by the state.

The action of MSBA in adopting the October resolution that precipitated this report brought a new emphasis to the reorganization issue. The

MSBA initiative signaled the intent of local trustees to take an active part in the renewed debate over ways to save money and improve the quality of education.

Before exploring the validity of the assumption that the consolidation and unification of Montana school districts will indeed reduce overall costs and offer the opportunity to use those dollars to maintain and improve the quality of the public school system, it seems imperative to examine what we are "fixing".

The basic issue of whether we have "good schools" in Montana is a different issue than the question of whether the system that delivers K-12 education in Montana is inefficient. Most Montanans, I believe, feel that children are getting a good education in their local schools. Many Montanans also believe, based on my contacts over the years, that the "system" is not as good as it used to be, and that public education has become too expensive, over administered, and unaccountable. I would hasten to add, however, that most citizens feel it is schools other than their own that are the problem!

Are our kids and grandkids getting a good education? Scores they receive on national tests are one measure of what they have learned. The answer seems to be, quite a lot. Nearly one-fourth of the 1992 Montana high school students took the SAT test and, on average, scored 42 points higher than the national average in verbal, and 47 points higher in math. Montana students who took the ACT tests also scored above the national average in 1992.

Montanans pay for good schools. 1989-90 per pupil expenditure in Montana was $4736, placing our state 24th nationally by that measure of citizen commitment. Regionally, Montana fell below Wyoming with a per pupil expenditure of $5577, but was substantially ahead of North Dakota, $4189, and South Dakota, $3732. Idaho with a per pupil expenditure of $3078 ranked near the bottom with Alabama, Mississippi, and Utah![32]

Montana continued to lag nationally in terms of average teacher salaries at $26,696 in 1990-91, compared to $32,880 nationally. Regionally, however, Montana teachers were compensated, on average, significantly ahead of the Dakotas, Idaho and Utah ... trailing only Wyoming in that category.[33]

Despite Montana's low population density ... trailing only Alaska and Wyoming ... our schools boast the third best high school completion rate in the United States, positive evidence of the commitment of educators, parents and students.

Finally, it must be noted that if the Montana school system is not as good as some would like, it is not for lack of opportunity of the citizenry to improve it. The existence of more than three hundred school districts scattered throughout the state is viewed by some as an expensive and unnecessary burden. Others note, however, that Montanans have more than 1600 trustee neighbors who volunteer their time and energy to manage the schools throughout the state. Montanans place an extremely high value on accessibility to the public officials whose decisions affect their lives, be it the governor, legislator, county commissioner, city official, bureaucrat in Helena, or a school trustee! Not only do the citizens of our state have an elected school official as a neighbor, they also have the opportunity to seek the responsibility that goes with election as a school trustee.

As the alternatives to school reform are debated in the years ahead, we must recognize that our goal is to improve a good system, not to replace a failed one.

## MONTANA SCHOOL DISTRICTS . . .
## COMMON SENSE OR COMPLETE CHAOS?

*"In contrast to many states, Montana retains its original school district structure which was designed for a rural society in a pioneer era."*

Winston W. Wetzel

The degree of difficulty involved in describing the existing education delivery system in Montana may well be indicative of the immensity of the challenge associated with changing that system. After hours of reviewing county maps generously provided by school superintendents around the state, it is still hard for me to grasp the geographic complexity of the 503 elementary, high school, and combined districts that currently serve Montana students, K-12. Those same maps graphically -- and dramatically -- illustrate the monumental challenge associated with transporting thousands of students to school each day at a cost of nearly $35 million annually! (See Appendix V) Montana's remaining school districts -- survivors of the 2439 that existed more than sixty years earlier -- serve student populations as large as Billings with more than 15,000 students, and as small as Deep Creek with one!

Montana's present public school system has resulted from a combination of factors: changing population patterns, declining farm population, economic pressures, and parental demands for quality education in a highly competitive global society. Very few districts disappeared because of legislative initiatives or mandates. Local people, and local trustees, effectively brought about the reduction in numbers. Whether that historic pattern of locally-driven district reorganization will continue is at the crux of the MSBA resolution of October, 1992.

The 503 school districts operating in Montana as the 1992-93 school year began included 339 stand-alone elementary districts, 148 high school districts, and 16 unified (K-12) districts. In addition, there are eleven districts that do not currently operate a school. A table in the appendix lists the districts by county. (Appendix I)

After more than one hundred years of statehood, and countless debates over reorganization of school districts, only Petroleum County operates with a single school district as the 1992-93 school year began.

In April, 1993, Wibaux citizens voted to unify their elementary and high school raising the total of counties with unified school systems to two.

Topping the list of counties with the largest number of school districts is Flathead with 23 districts; Yellowstone, 21; Gallatin, 20. Garfield County, with a total student population of slightly over 300 has 12 districts, of which 11 are elementary. Nine of those Garfield County elementary districts are one room schools serving a sparse and widely dispersed population.

That brief description of the school district picture in 1993 indicates the diversity of the delivery systems that Montanans have established over the years. An enumeration of the varying administrative mixes that have been put in place over those years testifies to the ingenuity of the district trustees in reconciling geographic reality with administrative efficiency.

Unfortunately, those who criticize the K-12 delivery system often fail to differentiate between 'districts' and 'administrative units'; a failure that all too often creates an inaccurate perception of the so-called problem of too many districts and too many bosses. The existence of a school does not necessarily indicate the presence of a district; the elimination of a district certainly does not mean the elimination of a school; and, the consolidation of two or more schools--or two or more districts--does not necessarily result in a reduction in the number of administrators! Confusing--you bet! But, hopefully, understandable if one takes the time to examine a relatively few facts.

A school district is a legal entity organized to provide educational services under the jurisdiction of elected trustees. The administrative structure of a district, at minimum, can be a board of trustees, a clerk, and a supervising teacher of a small elementary school. Currently there are 149 such entities in the state, and most, if not all, of those schools will be in place into the next century! Elimination of the districts within which those schools are located will have no impact on the need to provide a learning center in remote rural settings. Since school trustees serve without compensation (except reimbursement for travel in some instances), and clerks in districts with one small school are compensated at modest levels, district administrative costs are modest. A sampling of these small stand-alone elementaries in 1990-91 include the following

examples of general administrative costs: Prairie Elk District 6, $1511; Hall Elementary District 8, $754; Raynesford District 49, $3101.

The issue relative to our 149 single-school elementary districts is not one of reorganization for the purpose of cost reduction. The question that must be addressed is whether there is effective cooperation between the administration of the high school district where the K-6 or K-8 graduates from those schools will attend, and the board of the elementary school from whence they came. Coordination should include such areas as curriculum, cooperative purchasing, and sharing of special services.

In the remaining 354 operating districts, a remarkable array of administrative structures have been developed to deliver educational instruction. By law, each district has an elected board of trustees which exercises general control and supervision of the school, or schools within the district boundaries. For the majority of those 354 districts, the similarity ends there.

The 1992-93 Directory of School Officials, published by the Office of Public Instruction, lists 191 individuals who carry the title of 'superintendent'. Of that number, however, only 100 are the superintendent administrators of a school district. The other 91 individuals identified as superintendent serve in a variety of roles. Their responsibilities range from superintendent/high school principal, superintendent/principal K-8, to superintendent/principal K-12!--and about every other combination of duties possible, including classroom teacher!

The above information should not be interpreted as the opening argument in defense of the status quo. Rather, it is intended to demonstrate that it is critically important to recognize that the perceived problem of too many districts and too many administrators does not lend itself to easy analysis or simple solution. It should also serve to emphasize that if public policy directs that the existing delivery system for K-12 education is to be streamlined, district reform should focus on administrative units ... of which there are 373 ... not on the 503 districts that trouble so many current critics of the system.

## DISTRICT REORGANIZATION . . .
## TRIMMING THE "FAT"

*"Montana's politicians will not save money in their efforts to consolidate or unify school districts."*
Garret Franks, former superintendent,
Shields Valley Public Schools

*"Townsend school is a better educational community because of unification. Financial and physical resources are better utilized. Administrative tasks are more streamlined and effective. There have been some cost savings, but that was always seen as a secondary goal. The primary goal was, and remains, to provide the best education for all our students K-12."*
Al McMillin, Superintendent,
Townsend Schools

The 1992 MSBA resolution not only asked for a report on the feasibility of school district reorganization, it also contemplated the likelihood that some, or all, of the recommendations of this report would be transmitted to the legislature. Since much of the recent criticism of the current district structure has focused on the number of existing districts, the following discussion sets forth a series of options which could be implemented to reduce the total number of districts, and the number of administrative units.

Visualized as a series of steps, the reorganization options listed below reduce, with increasing impact, the total number of school districts in the state:

1. No action
2. Create joint boards at county high schools.
3. Create K-12 systems where district boundaries are coterminous.
4. Consolidate small, non-isolated high schools.
5. Establish K-12 unification statewide.
6. Establish countywide districts.
7. Create a single statewide district.

In the initial phase of the preparation of this report, I shared this step approach to school district reduction with an experienced and respected educational veteran, Dr. Wayne Buchanan, Executive Secretary, Board of Public Education. While agreeing with the methodology, Buchanan suggested that one additional step should be considered. Noting the growing consensus among educational leaders as to the value of site-based school management, he urged that the idea of creating additional school districts in Montana be explored![34] After extensive review of current educational articles, it is clear that it would be a mistake not to include assessment of the site-based management concept and its possible application in Montana. That discussion will be found in the supplement to this report.

***No Action:***

It seems safe to say that, for the entire history of Montana, official state government policy with regard to school district reorganization has generally been one of "no action". The legislature has enacted permissive legislation designed to simplify the process of district reorganization, and given financial incentives to districts that choose to consolidate. The fact remains, however, that most school districts disappear as a result of local initiative. For that reason, it can be argued that "no action" has been reasonably successful as state policy. From school district peak numbers of 2439 in 1930, the current level of 503 districts represents a reduction of nearly 80% ... not without local debate and controversy, but absent significant state involvement.

Clearly the many dramatic changes in Montana's social, economic and political structure over the years since 1930 have influenced the decisions of local people relative to the operation of their schools. Vastly improved roads and transportation, declining farm population, growing urban numbers, modifications in the tax base, more demanding accreditation standards, and parental demands for improved diversity and quality of curriculum were major factors in transforming "no action" state policy into reorganizational progress.

***Eliminate County High Schools:***

If the legislature decides to prioritize reduction in the number of school districts in the state, and to adopt new laws that encourage, or require, school district reorganization, a modest change in the current

law could result in elimination of the handful of current districts that exist as vestiges of the old county high school system created in 1899. The state currently has only eight such schools (Beaverhead, Broadwater, Carter, Dawson, Garfield, Missoula, Powell and Sweetgrass), down from a high of twenty in the past. None of the eight share a board of trustees with the local elementary district, but four (Broadwater/Townsend, Carter/Ekalaka, Dawson/Glendive, and Garfield/Jordan) share superintendents. In Dillon, Missoula, Deer Lodge and Big Timber, separate and distinct administrative structures exist for the elementary and high schools in those communities. Removal of the 'county' designation for a high school, accompanied by a requirement that non-joint board community systems convert to a single board could reduce the number of total districts by eight.

***Unify Coterminous Districts:***

As this report was being finalized, Senate Bill 307 was enacted into law. That measure requires each elementary district with the same boundaries as a high school district form a K-12 district by July 1, 1995 -- with an exemption to protect districts receiving Public Law 874 funding. Seventy-two Montana school districts are affected by the legislation resulting in a potential reduction in total district numbers of 36 by mid-1995. (Appendix II) Moreover, the newly-created K-12 districts will be able to utilize a single budget for costs of operating all grades and programs of the district.

***Consolidating High Schools:***

Perhaps no single reorganization option has the same potential to create controversy as a requirement that every 'non-isolated' high school must have a minimum number of students in attendance. As noted earlier, a 1993 legislative proposal to require certain small high schools to consolidate or face substantial reduction in state funding brought protests from around the state, and the prompt tabling of the measure.

A quarter century ago, L. E. Scaar examined the recommendations of some twenty-seven authorities who had evaluated the minimum, maximum and optimum district sizes necessary to provide quality high school education in the U.S. The smallest student populations recommended was a total of 300 proposed by the National Commission on School District Reorganization. The largest minimum suggested was

2500 students by several experts. The smallest optimum enrollment recommendations ranged from a relatively modest 500 students proposed in a New Hampshire study to a mindboggling 20,000 in the Ohio Master Plan of 1966![35]

In 1990-91, of 163 Montana high school districts seven had student enrollments of more than 1000; eight had enrollments from 500-999; thirteen had enrollments of 300-499. It should be obvious that the application of national size criteria to Montana high schools is fraught with problems. 'Small', when used in determining whether it is appropriate to close or retain a high school in Montana, is a flawed factor at best. It is not, however, a consideration to be ignored.

During the entire period of the preparation of this report, despite numerous inquiries and interviews, I found no convincing evidence to indicate that there is some critical level of student population where effective use of administrative and teaching staff and availability of diverse programming come together to create a "good" program. Education professionals I consulted suggested that 150, or 75, or even 35 high school students are sufficient to meet both educational and efficiency standards.

Since there is little or no hard evidence to support any minimum acceptable number of students in a Montana high school, any number selected is suspect. That vulnerability, however, cannot be used as an excuse to avoid the question that troubles parents and educators alike. Can a school be too small to offer the program diversity that equips its graduates to meet the challenges of modern society? Can a school be too small to match the learning potential of its students, thereby shortchanging them in their quest for information? Can a school be too small to attract good staff, and use that staff in an effective and efficient manner? Those questions reach well beyond the simple issue of fiscal viability.

***Mandate K-12 Districts:***

Long a preferred option by many, statewide K-12 districting could reduce the total number of districts to at least 164 ... the current 148 high school districts in the state, plus the 16 districts that are already unified. Mandated K-12 unification over a reasonable time period to allow adequate local input into the reorganization of district boundaries would unquestionably cause some reduction in top level administration. Coor-

dination of elementary and high school services and programs would be expected to be substantially enhanced over time. Operating both high school and elementary programs with a single budget would permit management flexibility to the trustees and the administrators.

***Countywide Districts:***

Writing in 1964, Winston Wetzel noted that "... all studies and evaluations of Montana's school district structure which have been made over the past twenty-five years have recommended that the county be utilized as a unit for study of reorganization or as a basis for the restructuring plan to be used."[36] Wetzel added his own endorsement, characterizing the county unit as one which would "... best serve Montana education ...".[37]

The recommendation of the county as a model for reorganization by outgoing governor Stan Stephens in late 1992 gave new impetus to an old idea. Because the potential for ANB aggregation in a countywide reorganization would result in a significant reduction in state funding based on existing foundation program schedules, the Stephens proposal was likely rooted more deeply in fiscal urgency than educational reform.

First initiated as a means to assure that all the taxpayers of a county would share responsibility for funding, the county school district concept lost ground as disparities in property valuation encouraged taxpayers in favored areas to sever from less prosperous neighbors to avoid paying for a neighboring school. While the recently adopted Guaranteed Tax Base legislation has reduced the importance of district taxable valuation differentials, the current court battle over equalization demonstrates that equality is still out of reach.

While a decision to establish countywide districts would result in a major overhaul of the existing administrative hierarchy, it may prove difficult to identify major reductions in total cost of schools. However, if county districts were required to aggregate the ANB to the county total, as opposed to the learning center totals, the potential savings to the state are very significant. Table I illustrates the impact on state funding if three smaller counties were established as county school districts and the ANB of existing elementary schools were aggregated under schedules in place at the beginning of the 1992-93 school year. Identifying the

totals in the right hand columns as savings is highly misleading since, other things being equal, county taxpayers would be expected to replace state savings with local property tax levies! In Carter County, e.g., the elementary schools receive a total of $433,253 in Foundation payments. Under the aggregation format the state payment would drop to $365,578 ... the $65,675 loss to be made up by property taxpayers in the district!

**TABLE I**

CARTER COUNTY DATA
ASSUMPTION: COUNTY WIDE DISTRICTS

| | ANB | PER ANB | TOTAL FP | GTB |
|---|---|---|---|---|
| TOTAL K-8 FUNDING | 118.00 | 2097.34 | 243291.44 | 0.00 |
| TOTAL 7-8 FUNDING | 38.00 | 3218.09 | 122287.42 | 0.00 |
| TOTAL COUNTY ELEMENTARY | | | 365578.86 | |

CURRENTLY AS SEPARATE DISTRICTS

| TOTAL FP | GTB | POSSIBLE SAVINGS |
|---|---|---|
| 302226.38 | 0.00 | -58935 |
| 131027.56 | 0.00 | -8740 |
| 433253.84 | 0.00 | -87675 |

DANIELS COUNTY DATA
ASSUMPTION: COUNTY WIDE DISTRICTS

| | ANB | PER ANB | TOTAL FP | GTB |
|---|---|---|---|---|
| TOTAL K-8 FUNDING | 254.00 | 1913.00 | 485902.00 | 0.00 |
| TOTAL 7-8 FUNDING | 82.00 | 2640.75 | 216541.50 | 0.00 |
| TOTAL COUNTY ELEMENTARY | | | 702443.50 | |

CURRENTLY AS SEPARATE DISTRICTS

| TOTAL FP | GTB | POSSIBLE SAVINGS |
|---|---|---|
| 524924.93 | | -39023 |
| 302866.76 | | -86325 |
| 827791.69 | 11602.00 | -136950 |

GARFIELD COUNTY DATA
ASSUMPTION: COUNTY WIDE DISTRICTS

| | ANB | PER ANB | TOTAL FP | GTB |
|---|---|---|---|---|
| TOTAL K-8 FUNDING | 213.00 | 1972.90 | 420227.70 | 0.00 |
| TOTAL 7-8 FUNDING | 43.00 | 2796.00 | 120228.00 | 0.00 |
| TOTAL COUNTY ELEMENTARY | | | 540455.70 | |

CURRENTLY AS SEPARATE DISTRICTS

| TOTAL FP | GTB | POSSIBLE SAVINGS |
|---|---|---|
| 585466.84 | | -165238 |
| 137201.82 | | -16974 |
| 722668.66 | 172187.00 | -354400 |

IF THE HIGH SCHOOLS IN DANIELS COUNTY WERE CONSOLIDATED INTO 1 COUNTY WIDE DISTRICT

COUNTY WIDE HIGH SCHOOL DISTRICT

| | ANB | PER ANB | TOTAL FP | GTB |
|---|---|---|---|---|
| TOTAL 9-12 FUNDING | 153 | 3223.56 | 493204.68 | 0.00 |
| TOTAL COUNTY HIGH SCHOOL | | | 493204.68 | |

CURRENTLY AS SEPARATE DISTRICTS

| | ANB | TOTAL FP | GTB | POSSIBLE SAVINGS |
|---|---|---|---|---|
| FLAXVILLE | 27 | 159992.28 | 0.00 | |
| SCOBEY | 99 | 353782.44 | 0.00 | |
| PEERLESS | 27 | 159992.28 | 0.00 | |
| INDEPENDENT DISTRICTS | 153 | 673767.00 | 0.00 | -180562.32 |

Table I also shows the dramatic loss of Foundation Program payments if all the high schools in Daniels County were mandated to consolidate as a countywide district. County taxpayers would be required to levy sufficient mills to make up for a drop of $180,562 in state aid.

***Statewide District:***

Only Hawaii has chosen to implement a single district, state administered public school system. Given the long-standing aversion of Montanans to state-directed controls, I consider it a waste of effort to seriously consider adopting a statewide district. Even absent the historic suspicion with which our citizens regard Helena-based decision making, the size and geography of the Treasure State make day-to-day administration of our dispersed school system from a central office an unlikely choice for the future. I concluded that the likelihood of Montana substituting a Helena-based administrative unit for our existing system was about as likely as Jim Hills' prediction of a "banana belt" economy along the Hi-Line becoming reality; at least until global warming reaches the Canadian border!

Summing up, an array of reorganization options are available for implementation by the legislature. Each can be found operating elsewhere in the U.S. with varying degrees of success as measured by student performance, graduation rate, and other factors. Each option would encounter opposition in Montana, most would find some support.

Inevitably, political and educational leaders in the state must weigh not only the fiscal consequences of school district reorganization proposals, they must also reckon with the public reaction to those proposals. Somewhere along the line, political leaders, education professionals, and the public must consider the most important question of all: <u>will changes in administration produce a better educational opportunity for the students who pass through the doors of Montana's public schools</u>?

## WHAT WILL YOU HAVE ...
## SMALL, MEDIUM, OR LARGE?

> *"A multiplicity of general-purpose and special-purpose governments. . . is not an obstacle to good government... . On the contrary, a diversity of local governments can promote key values of democratic government--namely, efficiency, equity, responsiveness, accountability, and self-governance. A multiplicity of differentiated governments does not necessarily imply fragmentation; instead, such governments can constitute a coherent local public economy."*
>
> Advisory Committee on Intergovernmental Relations

As a Reagan appointee and a minority member of the Advisory Committee on Intergovernmental Relations (ACIR), I quickly became accustomed to voting on the losing side -- and to accommodating overblown bureaucratic prose! It was not hard, however, to support the ACIR position cited above. Boiled down to essentials, the ACIR concluded that bigger is not always better, even in the delivery of government services -- including educational services. That a philosophy of decentralization would emanate from the conservative majority of Reaganites on the ACIR is not surprising. That the benefits of a decentralized government would be hailed at the same time that educational writers were beginning to seriously question the value of school district consolidation is probably more coincidence than conspiracy.

In a recent evaluation of school district reorganization options, writer E. Robert Stephens observed that the "... claim that larger systems are more efficient economically is not supported by recent research ...", and that "... the claim of superior quality of programs of larger systems, is also questionable on the basis of mixed evidence ...".[38] He also points out that the emergence of strong rural school interest groups made "... mandated reorganization--often a highly emotional issue among local citizens--less feasible politically." Eroding political will he notes, has prompted the discovery of other "... viable program delivery options that held promise of alleviating a number of issues facing rural schools ...".[39]

To shape policy for the next century, I am convinced we must heed the advice of another educational writer, H. L. Hodgkinson, who

advanced the concept of "all one system" in 1985. The premise of "all one system" is that state government and educational leaders need to abandon the time-honored tradition of seeing education as a set of discrete institutions; kindergartens, elementary schools, middle schools, senior high schools, two year colleges, four year colleges, and universities with graduate program. "People working in each of the above institutions have virtually no connection with all the others ... . Because of this, the school is defined as the unit, not THE PEOPLE WHO MOVE THROUGH IT. The only people who see these institutions as a system are the students ...".[40]

The reality of educational separateness was brought home to me sharply when, as governor, I presided over my first meeting of the State Board of Education in 1981. That entity was created by the constitutional delegates in 1972 to mandate coordination between the Board of Public Education and the Board of Regents, and through them the Montana educational system from kindergarten through college. Only minutes into my first meeting, a regent abruptly moved to adjourn the meeting! I sought an immediate explanation for such action, and was informed by the member that the Board of Education was a useless piece of constitutional construction and members of the two governing boards had no common problems to discuss.

My experience with the Board of Education is not directly relevant to the issues involved in this report. It is, however, a reminder that as we sort out the options for school district reorganization, it is from the point of view of the students who travel through the system that the issues must be addressed.

In any discussion of school district reorganization, proponents of consolidation quickly marshal two powerful arguments related to size and cost. Those arguments are frequently summarized with the assertion that 'not all small schools are costly, but all costly schools are small'! It takes only a brief look at expenditures per pupil in Montana elementary and high schools to validate that assessment.

In 1990-91, expenditure per pupil in Montana's elementary districts with over 1000 ANB averaged $2990. In districts with less than 75 ANB the average expenditure per pupil was $3858--nearly $900 more. However, the Cooke City elementary district spent only $1469 for each of its 19

students, and the Browning elementary district, with 1480 students, expended a whopping $5244 per ANB. The highest expenditure in a non-reservation elementary was Butte with 3955 students and a cost of $3446 per pupil.

A comparison of high school data yields similar results. In 1990-91, the 8 Montana high school districts with more than 1000 ANB spent an average of $4119 per student; the 60 high schools with less than 75 students that year averaged $8904 per pupil expenditures. However, the cost per ANB in Butte ($4892) with nearly 1500 students was only $664 less than the per student expenditures in Hot Springs ($5556) with an ANB of 66.

Clearly then, on average, expenditure per pupil rises as ANB declines in both elementary and high schools in Montana. Given that not unexpected reality, the next question to address is whether a comparable relationship exists in the quality of education produced in different size schools. Unfortunately, data to produce a definitive conclusion simply does not exist.

In a 1985 doctoral dissertation, Ardys Clarke did examine one aspect of quality when she studied the performance of freshman students entering Montana State University in 1978 -- by size of high school attended. Noting that "Previous research on the relationship of high school size to college academic success has been inconclusive and often contradictory ...," Clarke evaluated the first and third quarter freshman grade point averages and the graduation success of over 2000 students over a five year period. [41]

The Clarke study found that students "from the smallest high schools (0-50) had the highest percentage of graduates (31.3) of their (freshman) class." Moreover, those students also had the highest grade point averages at both the first and third quarters during their freshman years.[42] There are obvious risks in giving too much weight to a single study of student performance, but the conclusions drawn by Clarke deserve serious consideration.

Clarke concluded that the size of high school attended was immaterial in terms of academic success. She felt that it may be that small high school graduates "... obtain a very personalized education with a strong basic skills background ...," and added that "This study does not support

a move toward consolidation if such action is to be based solely on academic achievement."[43]

Even if one accepts the Clarke research as conclusive insofar as the performance of small high school graduates at the college level, the question of whether the small high school maximizes the learning opportunities of its students remains. Put another way, even with higher per pupil expenditures, do small high schools provide the program diversity and educational challenges that historically have been associated with larger units? That issue is at the very heart of the debate over consolidation in Montana and across America.

The origin of the concept that small high schools provide unsatisfactory education is generally attributed to the work of James Conant, Harvard University president, and author of The American High School Today, published in 1959.[44] Conant proposed that all high schools with a graduating class of less than 100 be closed and, in the decade that followed, thousands of small schools were closed and the number of school districts in the United States halved.[45] School officials of the period were adamant in insisting that all small districts should be eliminated; one writer commenting that small districts were "... expensive, inefficient and indefensible ...".[46]

In the 1980's educational reform shifted dramatically away from consolidation to focus on excellence and accountability, a reaction in part to the publication of "A Nation at Risk" in 1983. That scathing assessment of American education, enhanced in visibility by President Reagan, led the educational community to reexamine the importance of such issues as quality of instruction, teaching skills, educational leadership and competition in public education. The nation's governors were quick to take up the issue of educational mediocrity, and two of them were to become Secretary of Education; Alexander in the Bush administration, Riley in the Clinton.

The demand for educational excellence was to promote, by the latter part of the 1980's, a new emphasis on parental involvement and a new priority for what came to be characterized as school-based (or site-based) decision making. The result, according to one observer, is "the most intensive and prolonged period of assessment of public education in this nation's history.[47] In a way, a small but important way to Montana, the

current discussion of our state's education delivery system is a part of that national assessment process.

How small is too small, especially as small exists in Montana? In reviewing national data, it is abundantly clear that Montana is not only "The Last Best Place", it is also the place with the most small schools! In 1990-91, the Treasure State had the highest percentage of schools reporting less than 100 students in the United States ... 55%. The fact that large Montana schools are small by national standards must be considered when determining the relevance of a growing consensus of educational experts who now embrace the notion that small high schools are preferable to large systems.

What has occurred in the thirty years that followed the Conant report with its endorsement of a minimum of 255-300 students for an educationally acceptable high school, to the present day assertion that "... the two primary arguments for large schools, cost savings and curriculum enhancement, pale in comparison with the positive schooling outcomes apparently achieved by small schools"?[48] Those same authors found, as did more than a hundred other studies, a "... lack of consistent relationship between schooling outcomes and expenditure per pupil, teachers' salaries, teachers' degree status, and teachers' experience ...," and concluded that it "... appears that keeping schools relatively small might be more efficacious and may exhibit rare consensus as a goal of educators, the public and those seeking equality of opportunity for students."[49]

Our problem in Montana is defining "relatively small". Until some agreement is reached among political leaders, educators, parents, and students as to the definition of a minimum viable high school size, the debate over consolidation cannot be resolved. Complicating the task of defining an appropriate minimum high school size is the recognition that we must focus not only on cost, but such other factors as isolation, accreditation standards, effective use of personnel, and the opportunity for students to achieve their potential.

## COOPERATION OR CONSOLIDATION ... CUTTING COSTS IN THE 1990's

*"In a time when no new money is coming, we must develop a system that better uses the money we have. There will be some pain and some sacrifice for all of us, but in the end, greater educational opportunity for kids is worth the pain and sacrifices."*

Gary Rafter, Jr., Superintendent of Schools, Judith Basin County

*"There simply is not a great deal of money to be saved by consolidation/unification."*

Claudette Morton, Director, Rural Education Center, Western Montana College

If it is true, as the saying goes, that a young man's fancy turns to love in the spring, it is no less true that as state legislators gather biennially their thoughts turn to dollars. As with the legislature, a report intended for legislative consideration must examine cost as a crucial factor in determining the feasibility of school consolidation.

The research on this report began with the mistaken notion that quantitative information on the impacts of school consolidation would be readily available. Quickly disabused from that assumption, we began a first-ever search for financial data related to past consolidation efforts. Time, and availability of records, limited our research to selected consolidations that have occurred since the enactment of financial incentive legislation in 1971.

Initially the state authorized a bonus of only $100 per pupil, plus 2/3 of transportation costs. Currently elementary and high school districts which voluntarily choose to enlarge their district by consolidation or annexation, are rewarded with a bonus of $450 or $750 per eligible pupil dependent on the class of districts involved. The additional bonus of two-thirds of the state transportation amount is retained. (MCA 20-6-401) In the following series of tables, several examples of recent district consolidation or annexation are illustrated. In each case the analysis documents a period prior to the consolidation, the year of consolidation, and a period subsequent to consolidation.

## TABLE II

| | KREMLIN EL 69-70 | KREMLIN EL 70-71 | GILDFORD-EL 69-70 | GILDFORD EL 70-71 | 2 DIST TOTAL 69-70 | 2 DIST TOTAL 70-71 | K-G EL 71-72 | K-G EL 72-73 |
|---|---|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 49407 | 28343 | 44751 | 23086 | 94158 | 51429 | 89569 | 88362 |
| SUPPLIES | 4027 | 1215 | 5241 | 1938 | 9268 | 3153 | 6045 | 6534 |
| OTHER | 6514 | 21355 | 3301 | 1311 | 9815 | 22666 | 6686 | 7004 |
| TRANSP MAINT & OP | 788 | 416 | 1776 | | 2564 | 416 | 9303 | 3642 |
| INSURANCE | 1225 | 1464 | 3045 | 827 | 4270 | 2291 | 7694 | 6722 |
| UTILITIES | 2596 | 1369 | 3025 | 1374 | 5621 | 2743 | 4131 | 4756 |
| SCHOOL FOOD | 7180 | 3978 | 9730 | 5260 | 16910 | 9238 | 12869 | 13884 |
| STUDENT BODY | 0 | 64 | | | 0 | 64 | 483 | 282 |
| NEW EQUIP/REMODELING | 1045 | 193 | 415 | | 1460 | 193 | 2062 | 2225 |
| TOTAL | 72782 | 58397 | 71284 | 33796 | 144066 | 92193 | 138842 | 133411 |

| | KREMLIN HS 69-70 | KREMLIN HS 70-71 | GILDFORD HS 69-70 | GILDFORD HS 70-71 | 2 DIST TOTAL 69-70 | 2 DIST TOTAL 70-71 | K-G HS 71-72 | K-G HS 72-73 |
|---|---|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 47508 | 27456 | 58276 | 35127 | 105784 | 62583 | 104025 | 100174 |
| SUPPLIES | 3959 | 1689 | 4818 | 2983 | 8777 | 4672 | 7864 | 8852 |
| OTHER | 3917 | 23030 | 5943 | 955 | 9860 | 23985 | 9413 | 6001 |
| TRANSP MAINT & OP | 488 | 625 | 1201 | 1769 | 1689 | 2394 | 7895 | 11432 |
| INSURANCE | 1162 | 1009 | 3745 | 1994 | 4907 | 3003 | 8807 | 7107 |
| UTILITIES | 2118 | 1073 | 3404 | 1735 | 5522 | 2808 | 7372 | 7182 |
| SCHOOL FOOD | | | | | 0 | 0 | 5948 | 6205 |
| STUDENT BODY | 1789 | 735 | 2717 | 727 | 4506 | 1462 | 2685 | 937 |
| NEW EQUIP/REMODELING | 2776 | 258 | 915 | 204 | 3691 | 462 | 7023 | 5187 |
| TOTAL | 63717 | 55875 | 81019 | 45494 | 144736 | 101369 | 161232 | 153077 |

Note: The consolidation/annexation examples in this report include all school expenditures from five budget accounts; general fund, transportation, school foods, comprehensive insurance, retirement and tuition.

The Kremlin-Gildford (K-G) consolidation is unique in that it occurred in the time period of the adoption of the first bonus legislation. It is also unusual in that it apparently was the result of a decision by the district superintendents of the two schools to load the trustees from their districts in a large van and travel together to Helena to attend the annual meetings of the Montana School Boards Association and the School Administrators. On returning home to their Hi-Line communities, the boards arranged a series of meetings involving people from both communities. The result was a decision to go forward with a consolidation that placed the high school in Gildford and K-8 in Kremlin.[50]

In 1970-71, the year prior to consolidation, total district expenditures for the two schools dropped dramatically from the prior year -- from $288,802 to $193,562. The explanation appears to be almost totally

related to the reduction in salary and benefit costs and the likelihood that administrators left the system in advance of consolidation. In 1971-72 total expenditures of the consolidated system rose to $300,074 then declined slightly to $286,488 in the subsequent year -- very close to the 1969-70 level.

**TABLE III**

| | JOPLIN EL 78-79 | JOPLIN EL 79-80 | INVERNESS EL 78-79 | INVERNESS EL 79-80 | 2 DIST TOTAL 78-79 | 2 DIST TOTAL 79-80 | J-I EL 80-81 | J-I EL 81-82 |
|---|---|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 115125 | 115464 | 82882 | 97376 | 198007 | 212840 | 222817 | 271603 |
| SUPPLIES | 20202 | 13245 | 5849 | 2208 | 26051 | 15453 | 26733 | 29440 |
| OTHER | 10443 | 12481 | 940 | 1008 | 11383 | 13489 | 10620 | 11593 |
| TRANSP MAINT & OP | 7773 | 10502 | 5871 | 3364 | 13644 | 13866 | 19321 | 16163 |
| INSURANCE | 2975 | | 5243 | 3065 | 8218 | 3065 | 6518 | 8051 |
| UTILITIES | 3236 | 1276 | 3812 | 5143 | 7048 | 6419 | 14130 | 18575 |
| SCHOOL FOOD | 3242 | 3761 | 6183 | 6315 | 9425 | 10076 | 9988 | 12007 |
| STUDENT BODY | 707 | 649 | 55 | | 762 | 649 | 897 | 1179 |
| NEW EQUIP/REMODELING | 8815 | 2500 | 167 | 205 | 8982 | 2705 | 12817 | 26363 |
| TOTAL | 172517 | 159879 | 111002 | 118684 | 283519 | 278563 | 323841 | 394974 |

| | JOPLIN HS 78-79 | JOPLIN HS 79-80 | INVERNESS HS 78-79 | INVERNESS HS 79-80 | 2 DIST TOTAL 78-79 | 2 DIST TOTAL 79-80 | J-I HS 80-81 | J-I HS 81-82 |
|---|---|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 118934 | 134848 | 106967 | 122257 | 225901 | 257105 | 186355 | 195743 |
| SUPPLIES | 13870 | 14724 | 5751 | 6061 | 19621 | 20785 | 18844 | 29490 |
| OTHER | 9912 | 3591 | 3700 | 2262 | 13612 | 5853 | 4949 | 14351 |
| TRANSP MAINT & OP | 6460 | 9224 | 12252 | 6134 | 18712 | 15358 | 18985 | 16852 |
| INSURANCE | 15654 | 20401 | 5860 | 4556 | 21514 | 24957 | 10965 | 11477 |
| UTILITIES | 8346 | 14580 | 8628 | 6818 | 16974 | 21398 | 18820 | 20290 |
| SCHOOL FOOD | 5548 | 5969 | 4644 | 3393 | 10192 | 9362 | 8000 | 7440 |
| STUDENT BODY | 1499 | 1852 | 1735 | 1247 | 3234 | 3099 | 3359 | 5864 |
| NEW EQUIP/REMODELING | 22256 | 7475 | 901 | 787 | 23157 | 8262 | 9993 | 18529 |
| TOTAL | 202480 | 212664 | 150438 | 153515 | 352918 | 366179 | 280270 | 320035 |

Joplin and Inverness (J-I), two other Hi-Line schools, consolidated in 1980-81. Joplin became the learning center for middle and high school, while Inverness handled students in K-6. Table III shows a decline in total costs from $653,742 in 1978-80, the year prior to consolidation, to $604,111 in 1980-81, the year the consolidation took place. As was the case in the K-G consolidation, the difference is almost exactly the amount that salaries and benefits dropped in 1980-81. The following year the total expenditures for the consolidated system rose to $715,009 -- an increase of more than $60,000 over 1979-80, or nearly ten percent.

Consolidation fever was apparently contagious among Hi-Line communities as Hingham and Rudyard followed the consolidation example of their neighbors and merged in 1981. Blue Sky reflected a trend in total expenditures much like K-G and J-I. Total school costs, as shown in Table IV, dropped by nearly $60,000 in 1981 -- the year of consolidation -- but promptly increased the following year to a level slightly higher than 1979-80.

**TABLE IV**

| | HINGHAM EL 79-80 | HINGHAM EL 80-81 | RUDYARD EL 79-80 | RUDYARD EL 80-81 | 2 DIST TOTAL 79-80 | 2 DIST TOTAL 80-81 | BLUE SKY EL 81-82 | BLUE SKY EL 82-83 | BLUE SKY EL 83-84 |
|---|---|---|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 131292 | 130784 | 197555 | 221123 | 328847 | 351907 | 323177 | 367993 | 393528 |
| SUPPLIES | 5163 | 3674 | 12597 | 7084 | 17760 | 10758 | 16461 | 12797 | 18837 |
| OTHER | 5208 | 4204 | 8057 | 7606 | 13265 | 11810 | 11107 | 38513 | 5664 |
| TRANSP MAINT & OP | 21453 | 11044 | 34281 | 43622 | 55734 | 54666 | 66448 | 61646 | 76409 |
| INSURANCE | 9061 | 9447 | 11899 | 13363 | 20960 | 22810 | 23617 | 30245 | 13446 |
| UTILITIES | 6314 | 8997 | 11507 | 12540 | 17821 | 21537 | 35773 | 37044 | 37763 |
| SCHOOL FOOD | 9964 | 12548 | 22218 | 21092 | 32182 | 33640 | 37802 | 37966 | 19774 |
| STUDENT BODY | 246 | 2135 | 1080 | 931 | 1326 | 3066 | 1536 | 1333 | |
| NEW EQUIP/REMODELING | 3855 | 350 | 1580 | 2362 | 5435 | 2712 | 9300 | 5650 | 15396 |
| TOTAL | 192556 | 183183 | 300774 | 329723 | 493330 | 512906 | 525221 | 594187 | 580817 |

| | HINGHAM HS 79-80 | HINGHAM HS 80-81 | RUDYARD HS 79-80 | RUDYARD HS 80-81 | 2 DIST TOTAL 79-80 | 2 DIST TOTAL 80-81 | BLUE SKY HS 81-82 | BLUE SKY HS 82-83 | BLUE SKY HS 83-84 |
|---|---|---|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 116946 | 142651 | 162660 | 184464 | 279606 | 327115 | 262722 | 285379 | 342485 |
| SUPPLIES | 4623 | 2815 | 8904 | 8528 | 13527 | 11343 | 13148 | 11513 | 13211 |
| OTHER | 3943 | 3285 | 5697 | 5216 | 9640 | 8501 | 7556 | 8775 | 13824 |
| TRANSP MAINT & OP | 13722 | 15013 | 42916 | 51657 | 56638 | 66670 | 61938 | 54486 | 58203 |
| INSURANCE | 6953 | 7873 | 12178 | 14379 | 19131 | 22252 | 22498 | 22280 | 8131 |
| UTILITIES | 5245 | 8437 | 15500 | 17868 | 20745 | 26305 | 24856 | 21607 | 21402 |
| SCHOOL FOOD | 6286 | 4866 | 4542 | 5164 | 10828 | 10030 | 7735 | 8262 | 2175 |
| STUDENT BODY | 1249 | 7333 | 1869 | 1889 | 3118 | 9222 | 9728 | 4827 | 0 |
| NEW EQUIP/REMODELING | 3720 | 176 | 5009 | 3414 | 8729 | 3590 | 4860 | 9602 | 7390 |
| TOTAL | 162687 | 192449 | 259275 | 292579 | 421962 | 485028 | 415041 | 426731 | 466821 |

The most recent school district consolidation occurred in 1990-91, when Wilsall and Clyde Park combined to form the Shields Valley school district. In what is now clearly a consistent characteristic of the four high school/elementary district consolidations studied, Shields Valley costs dipped the year of consolidation but returned to within $29,000 of total costs the prior year. Projected expenditures budgeted for the current 1992-93 year total $1,605,223, well above the $1,529,695 spent in 1989-90. (Table V)

# TABLE V

| | CLYDE PARK EL 87-88 | CLYDE PARK EL 88-89 | CLYDE PARK EL 89-90 | WILSALL EL 87-88 | WILSALL EL 88-89 | WILSALL EL 89-90 |
|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 242316 | 219836 | 275242 | 243732 | 258116 | 272411 |
| SUPPLIES | 16505 | 20224 | 12658 | 15164 | 13204 | 10845 |
| OTHER | 22930 | 28148 | 21648 | 21865 | 15970 | 22896 |
| TRANSP MAINT & OP | 30979 | 34348 | 48219 | 36503 | 47706 | 46287 |
| INSURANCE | 10101 | 9149 | 7189 | 8482 | 6426 | 5243 |
| UTILITIES | 9410 | 9689 | 9592 | 5633 | 8907 | 8879 |
| SCHOOL FOOD | 3206 | | 2353 | 1886 | 2788 | 3140 |
| STUDENT BODY | | | | | | |
| NEW EQUIP/REMODELING | 7888 | 2899 | 24870 | 8192 | 4412 | 10568 |
| TOTAL | 343335 | 324293 | 401771 | 341457 | 357529 | 380269 |

ELEMENTARY SUMMARY

| | 2 DIST TOTAL 87-88 | 2 DIST TOTAL 88-89 | 2 DIST TOTAL 89-90 | SHIELDS VALLEY EL 90-91 | EL 91-92 | BUDGET 92-93 |
|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 486048 | 477952 | 547653 | 534926 | 592946 | |
| SUPPLIES | 31669 | 33428 | 23503 | 41981 | 69698 | |
| OTHER | 44795 | 44118 | 44544 | 28531 | 12013 | |
| TRANSP MAINT & OP | 67482 | 82054 | 94506 | 89795 | 101069 | |
| INSURANCE | 18583 | 15575 | 12432 | | | |
| UTILITIES | 15043 | 18596 | 18471 | | | |
| SCHOOL FOOD | 5092 | 2788 | 5493 | 16039 | | |
| STUDENT BODY | 0 | 0 | 0 | | | |
| NEW EQUIP/REMODELING | 16080 | 7311 | 35438 | 1593 | 13153 | |
| TOTAL | 684792 | 681822 | 782040 | 712865 | 788879 | 873152 |

| | CLYDE PARK HS 87-88 | CLYDE PARK HS 88-89 | CLYDE PARK HS 89-90 | WILSALL HS 87-88 | WILSALL HS 88-89 | WILSALL HS 89-90 |
|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 266976 | 297807 | 304091 | 204256 | 215653 | 234913 |
| SUPPLIES | 8829 | 25387 | 8274 | 14288 | 15365 | 13662 |
| OTHER | 9997 | 19451 | 22959 | 15545 | 20095 | 35638 |
| TRANSP MAINT & OP | 33700 | 19286 | 24811 | 41017 | 37743 | 31977 |
| INSURANCE | 9229 | | 0 | 10150 | 6433 | 4626 |
| UTILITIES | 12568 | 7441 | 7363 | 8379 | 4536 | 4533 |
| SCHOOL FOOD | 28227 | 380 | 18991 | 12333 | 11922 | 14589 |
| STUDENT BODY | | | | | | |
| NEW EQUIP/REMODELING | 1297 | 388 | 12113 | 3483 | 5815 | 9115 |
| TOTAL | 370823 | 370140 | 398602 | 309451 | 317562 | 349053 |

HIGH SCHOOL SUMMARY

| | 2 DIST TOTAL 87-88 | 2 DIST TOTAL 88-89 | 2 DIST TOTAL 89-90 | SHIELDS VALLEY HS 90-91 | HS 91-92 | BUDGET 92-93 |
|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 471232 | 513460 | 539004 | 412775 | 476844 | |
| SUPPLIES | 23117 | 40752 | 21936 | 43265 | 68696 | |
| OTHER | 25542 | 39546 | 58597 | 15641 | 10671 | |
| TRANSP MAINT & OP | 74717 | 57029 | 56788 | 105768 | 119325 | |
| INSURANCE | 19379 | 6433 | 4626 | | | |
| UTILITIES | 20947 | 11977 | 11896 | | | |
| SCHOOL FOOD | 40560 | 12302 | 33580 | 12676 | | |
| STUDENT BODY | 0 | 0 | 0 | | | |
| NEW EQUIP/REMODELING | 4780 | 6203 | 21228 | 50728 | 36378 | |
| TOTAL | 680274 | 687702 | 747655 | 640853 | 711914 | 732071 |

A letter from Superintendent Garret Franks, who presided over that consolidation, is included in the supplement of this report. He confirms that the reorganization offered little in the way of monetary savings but a great deal in program improvement.

The four examples of consolidation since 1971 that involved high schools provide little support for the theory that consolidation is an effective cost reduction measure.

Table VI summarizes the consolidation of two elementary schools -- Sun River and Fort Shaw in 1988. Initially, Vaughn expressed interest in becoming a part of the Sun River Valley school, but strong opposition caused the Vaughn board to withdraw from the merger. Michael Button, currently the superintendent at Plains, was then superintendent at Vaughn. Button has written a graduate school paper on the consolidation process that is an excellent on-the-scene analysis of the effort. As with most other consolidations, expenditures in the combined district rose immediately -- about 11% within two years. According to Button, the primary factor in the increase in expenditures was the raising of salaries of Sun River staff to the Fort Shaw level.[51] Table VI verifies that conclusion as salaries and benefits rose nearly $90,000 between 1987-88 and 1989-90.

**TABLE VI**

| | SUN RIVER EL 86-87 | SUN RIVER EL 87-88 | FT SHAW EL 86-87 | FT SHAW EL 87-88 | 2 DIST TOTAL 86-87 | 2 DIST TOTAL 87-88 | S.R.V. EL 88-89 | S.R.V. EL 89-90 |
|---|---|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 295227 | 301446 | 426207 | 429372 | 721434 | 730818 | 799523 | 812682 |
| SUPPLIES | 14891 | 15301 | 15839 | 17057 | 30730 | 32358 | 33570 | 55498 |
| OTHER | 18768 | 17319 | 21222 | 22559 | 39990 | 39878 | 33775 | 15993 |
| TRANSP MAINT & OP | 10460 | 19167 | 24294 | 23131 | 34754 | 42298 | 46186 | 34824 |
| INSURANCE | 15455 | 15734 | 23194 | 13010 | 38649 | 28744 | 25421 | 26000 |
| UTILITIES | 8968 | 9677 | 10865 | 10807 | 19833 | 20484 | 19499 | 23523 |
| SCHOOL FOOD | 15739 | 15856 | 69384 | 57751 | 85123 | 73607 | 77591 | 86163 |
| STUDENT BODY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NEW EQUIP/REMODELING | 2753 | 6408 | 2622 | 1084 | 5375 | 7492 | 28221 | 32671 |
| TOTAL | 382261 | 400908 | 593627 | 574771 | 975888 | 975679 | 1063786 | 1087354 |

Table VII provides the financial data for the consolidation of two Flathead County elementary schools -- Somers and Lakeside. Like the consolidation of Sun River and Fort Shaw, expenditures fell slightly in the

year of consolidation 1983-84, but promptly rose the following year to a level above that of 1982-83. And, as was the case with the Cascade county schools, virtually the entire increase in school operating costs can be attributed to higher staff salaries and benefits in the consolidated Lakeside/Somers district.

**TABLE VII**

| | LAKESIDE EL 81-82 | LAKESIDE EL 82-83 | SOMERS EL 81-82 | SOMERS EL 82-83 | 2 DIST TOTAL 81-82 | 2 DIST TOTAL 82-83 | CONSOLIDATED SOMERS EL 83-84 | SOMERS EL 84-85 |
|---|---|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 143777 | 105538 | 276061 | 278871 | 419838 | 384409 | 392097 | 438033 |
| SUPPLIES | 3875 | 4076 | 10364 | 11247 | 14239 | 15323 | 14658 | 25276 |
| OTHER | 16961 | 22976 | 18671 | 39187 | 35632 | 62163 | 36516 | 15530 |
| TRANSP MAINT & OP | 5451 | | 46047 | 48353 | 51498 | 48353 | 87687 | 69298 |
| INSURANCE | 4712 | 2200 | 10257 | 19075 | 14969 | 21275 | 6003 | 7980 |
| UTILITIES | 9759 | 9575 | 14413 | 15210 | 24172 | 24785 | 20871 | 23554 |
| SCHOOL FOOD | 1084 | 1254 | 18322 | 22139 | 19406 | 23393 | 28150 | 17056 |
| STUDENT BODY | | | 2262 | 2640 | 2262 | 2640 | | |
| NEW EQUIP/REMODELING | 8184 | 9489 | 2572 | 4378 | 10756 | 13867 | | 37446 |
| TOTAL | 193803 | 155108 | 398969 | 441100 | 592772 | 596208 | 585982 | 634173 |

Between the enactment of the consolidation bonus system in 1971 and the present, 42 elementary schools and 8 high schools have been annexed or consolidated. In the consolidations that were not a part of our analysis, only about 350 students were involved. The number is not precise because the early records are sometimes unclear or incomplete. Moreover, in the years prior to 1981, although 28 elementary districts were consolidated, only 84 students in all wound up in a newly-created district. Consolidations of two, three or five students seemed too small to provide insight into expenditure results. Further complicating the use of some of the consolidations for which bonuses were paid is the fact that, in some instances, bonuses were not paid for the full three-year period. And, in some cases, the annexation involved a district that had previously been non-operating!

The six examples of school district consolidations that were studied provide little evidence to support the contention that consolidation is an effective way to reduce school costs. However, educational professionals I contacted were in near unanimous agreement that consolidation can result in program improvement. Improved school quality affords students greater opportunity to learn, and that in itself is sufficient reason for school trustees and administrators to explore new district organizations.

## BITING THE BULLET ... AN AGENDA FOR CHANGE

*"In the past ten years we've seen two waves of school reform. The first, following in the wake of A NATION AT RISK ..., focused on external factors: higher standards ... new curricula, strengthened teacher-certification requirements, and expenditure increases of more than a thousand dollars per pupil between the 1982-83 and the 1987-88 school years.*

*"We are now in the midst of a second wave of reform that focuses on the roles of adults in education: teacher empowerment, school-based management, and parental choice. It shifts attention from state capitols to local schools, and from mandated activities to collaborative and cooperative efforts.*

*"What we need today is a third wave that builds on those prior efforts, looking beyond both external factors and the role of teachers, parents, and administrators. We need a comprehensive effort that places the student at the center of education reform."*

Dorothy Herzner Lipsky, Superintendent,
Riverhead, New York, Central School District.

*"America became an urban nation, but rural America did not cease to exist. Rural has not become obsolete. Transporting rural America's children to larger schools does not diminish physical distances nor increase the sparse populations."*

Eldora Burns Nielson

The quotation reproduced on the inside cover of this report seems particularly appropriate to the long-standing debate over the educational delivery system in Montana. Certainly there have been a surfeit of "pessimists", past and present, who complained about the inordinately large number of school districts in the state. And, one could probably be justified in characterizing those who endorsed the "no action" policy as "optimists"; community defenders who saw district attrition as a preferable alternative to mandated change.

The writer is a "realist" who believes that the time has come to adjust the educational sails of the historic craft constructed a century ago. That craft must provide a quality learning experience to the 155,000 passengers currently aboard, and to those waiting at the parental docks to embark. In some instances, it may even be desirable to alter the crew and command if the educational journey of the student passengers is to reach the port called "quality education".

Let us make no mistake, designing a responsive and efficient educational administrative system in a state with a population density of only one student per square mile is a monumental challenge! In 1990-91, one of every eight Montana students was enrolled in a school with less than 100 ANB; only South Dakota among the fifty states topped Montana in that measure of educational ruralness.[52]

It should be obvious that any recommendations directed toward the reduction in the number of current school districts in Montana will not result in the closure of many rural learning centers. Elementary schools are located in places like Prairie Elk, Van Norman, Whitlash, Nye and Yaak because they have to be there to serve the children of those isolated areas. Such isolated schools will continue to operate as long as there are small children living in Montana's remote areas.

A number of assumptions have shaped the recommendations that are included in this report to the MSBA trustees for their review and reaction. I believe that the impact of school reorganization on communities must be considered in any decision to substantially alter, or close, a local school. Being sensitive to local concerns is not just a matter of politics as usual, or caving in to parochial interests. Montanans expect ... demand ... that they have a voice in the decisions that affect their lives and the future of their children.[53]

Sensitivity to community is important to the private sector as well as to the government sector. The Lee newspaper chain could likely reduce costs and simplify the administration of their chain of Montana newspapers by utilizing only one publisher and one editor to manage their operations in Missoula, Billings, Butte, and Helena. As a profit-seeking enterprise, the corporation apparently believes that the costs associated with acquiring local knowledge and interacting with the community are outweighed by the advantages secured to their management hierarchy.

As Montana political and educational leaders struggle to control the costs of school operation, they must also balance their desire for a more streamlined and centralized administration with a sensitivity to local concerns.

Nearly a half-century ago Joseph Kinsey Howard, Montana's most widely read historian, addressed a meeting in Missoula during American Education Week with these words:

> *"Is economic efficiency the ultimate goal? Is an economy which accepts and even compels a progressive decline in rural population a GOOD economy? ... Is it not true that often the little country school is the heart of a community, and when the school goes the community dies and the people move away?"*[54]

Communities ARE important to Montana, as are the schools that continue to be a central focus of activity for the people who live and work there. But, costs also matter, to private and public enterprise alike.

Those in charge of managing our public school system must not only be fiscally prudent in the exercise of their responsibility, they must also convince their investors -- the taxpaying public -- that such is the case. A positive public perception of the Montana school system is the best assurance that our public schools will be adequately financed and capable of delivering a quality product.

In the preparation of the report recommendations I have also attempted to keep constantly in mind a personal lesson learned ... sometimes painfully ... over the years; wise decisions are not the exclusive property of politicians, or educators ... or former governors! The public must have early and continuing involvement in any comprehensive reform of Montana's educational structure.

## CONCLUSIONS

*"It is the goal of the people to establish a system of education which will develop the full educational potential of each person. Equality of educational opportunity is guaranteed to each person of the state."*

Article X, Section 1, Montana Constitution

I began work on this project with the assumption that there were, indeed, far too many school districts and administrative units in the state educational system. In making the recommendation listed below, it is clear that I continue to believe we could do without some of the districts, some of the administration, and some of the administrators that exist in Montana in 1993.

I also brought to the initial phase of the report preparation the inclination to support an enhanced role for state government in redesigning the education structure -- probably reflecting a mindset carried over from my days in the governors' office! Without a doubt, state government must play a significant role in establishing responsible policy vis-a-vis the organization of our public school system. That ongoing responsibility is dictated by the fact that state government is assuming a larger and larger role in school funding.

At the outset, however, I should make it clear that I reject the notion that the state should mandate the consolidation of schools. I consider that exercise of state authority to be inappropriate and ill-advised. State-imposed consolidation would create a firestorm of public controversy and could well result in a public referendum and voter rejection as occurred in Nebraska. With the possible exception of K-12 unification, no arbitrarily implemented statewide reorganization scheme could adequately consider the myriad of circumstances that exist in the existing district structure. Rivers and mountains provide natural boundaries that make straight-line mileages meaningless. Kids very often migrate to the school district where their parents work or the community where they shop ... or where the most highly regarded music teacher is available ... irrespective of county or school district boundaries.[55]

While I object to mandatory consolidation, I also reject the philosophy that state taxpayers should subsidize the operation of expensive, non-isolated elementary or high schools. Maintenance of the status quo will not satisfy the growing public concern with school costs. Table VIII provides dramatic proof that public school expenditures have rivaled health care costs in the level of increase in recent years.

**TABLE VIII**

**MONTANA SCHOOL GENERAL FUND BUDGETS FOR SELECTED YEARS**

| | 1949-50 | 1959-60 | 1969-70 | 1979-80 | 1989-90 |
|---|---|---|---|---|---|
| TOTAL OF SCHOOL GENERAL FUND BUDGETS* | $25,302,000 | $50,414,000 | $117,533,000 | $287,413,000 | $521,873,000 |
| TOTAL ANB* | 94,578 | 133,818 | 184,872 | 163,276 | 149,095 |
| GENERAL FUND BUDGET/ANB | $267.53 | $376.74 | $635.75 | $1,760.29 | $3,500.00 |

*NOTE: High school and elementary school budgets and enrollments both combined.

Table IX contains data prepared by George Bandy a decade ago, with an update for 1989-90. Bandy compared total school expenditures with enrollment, and with the Consumer Price Index (CPI). In the thirty years from 1949-50 to 1979-80, school expenditures and enrollment increased by about the same percentage -- 558%. During the same period, the CPI increased by only 220%. [56] In the past decade public school enrollment decreased, while expenditures increased 81% -- substantially above the CPI increase during the same period of 58%. It is data of this kind that creates the public demand for school reform.

To be sure, school budget increases in the post WWII years are largely attributable to a host of additional requirements imposed on our schools by inflation, stricter state and federal standards, special education, expanded program needs, and greater non-academic responsibilities. One elementary school, e.g., was required to hire a teacher's aide to

change diapers of three handicapped students up to three times a day. Those costly changes in the operation of our public schools as the end of the century nears are not fully understood by the public. They need to be. And the widespread perception by the public and many political leaders that Montana is burdened with a top-heavy and expensive administrative hierarchy must be addressed.

The county unit is the reorganization option with the longest history of exposure to debate in Montana. Despite its past popularity, I remain unconvinced of its general viability. The fact is that current Montana county boundaries are an accident of history -- many would argue an unfortunate accident! Only by accident do county boundaries reflect the realities of geography, demography, or transportation availability. Arguably, some of the lesser populated counties could follow the example of Petroleum and Wibaux and effectively utilize a unified countywide school district system. However, the county unit appears ill-suited to large urban communities.

A considerable amount of reorganization rhetoric has also focused on the existence of large stand-alone elementary districts adjacent to major cities: (Kalispell/Evergreen) (Helena/Kessler/East Helena) (Billings/Lockwood) (Missoula/Hellgate/Target Range). Those stand-alone schools enroll from 300 to more than a thousand students in K-6 and K-8.

One recent example of the addition of adjacent elementary schools to a larger unit was the annexation of Warren and Jim Darcy schools into Helena Elementary District 1 in 1985, each with enrollments approaching 300 pupils. Table IX illustrates that the merging of those districts produced no evidence of expenditure reduction; on the contrary, costs increased. Moreover, the state provided more than $750,000 in bonus payments to the newly expanded district over a three year period -- $1,000 for each student absorbed into the Helena system!

## TABLE IX

| | WARREN/JIM DARCY EL 83-84 | EL 84-85 | HELENA EL 83-84 | HELENA EL 84-85 | 2 DIST TOTAL 83-84 | 2 DIST TOTAL 84-85 | CONSOLIDATED HELENA EL 85-86 | HELENA EL 86-87 |
|---|---|---|---|---|---|---|---|---|
| SALARY/BENEFITS | 925923 | 1031552 | 9651563 | 10146788 | 10577486 | 11178340 | 12005021 | 12496227 |
| SUPPLIES | 42857 | 67325 | 531504 | 544794 | 574361 | 612119 | 399974 | 873642 |
| OTHER | 265899 | 260485 | 38555 | 71183 | 304454 | 331668 | 150434 | 100523 |
| TRANSP MAINT & OP | 123312 | 127553 | 346544 | 383759 | 469856 | 511312 | 830738 | 600672 |
| INSURANCE | 10490 | 12803 | 678627 | 586016 | 689117 | 598819 | 169934 | 219962 |
| UTILITIES | 35540 | 38691 | 356569 | 371600 | 392109 | 410291 | 346583 | 302158 |
| SCHOOL FOOD | 10278 | 15528 | 89174 | 644156 | 99452 | 659684 | 765781 | 759543 |
| STUDENT BODY | | | | | 0 | 0 | | |
| NEW EQUIP/REMODELING | 442 | | 138014 | 169958 | 138456 | 169958 | 113634 | 156074 |
| TOTAL | 1,414,741 | 1,553,937 | 11,830,550 | 12,918,254 | 13,245,291 | 14,472,191 | 14,782,099 | 15,308,901 |

The Helena experience supports the contention of those who assert that there would inevitably be a substantial increase in salaries and benefits when staff of smaller stand-alones are merged into larger urban elementary systems. Discussions with school personnel in Helena confirms that salaries and benefits of staff at Jim Darcy and Warren were in fact adjusted to the higher levels at Helena District 1.

Finally, an examination of the FY 93 school district budgets for the elementary districts listed above shows that in each case the general fund expenditure per pupil is currently lower in the stand-alone district than in the larger district:

| | | | |
|---|---|---|---|
| Kalispell | $3335 per ANB | Evergreen | $3283 per ANB |
| Missoula | $3367 | Hellgate | $2979 |
| | | Target Range | $3039 |
| Helena | $3352 | Kessler | $2737 |
| | | East Helena | $2866 |
| Billings | $3293 | Lockwood | $3077 |

Until and unless conclusive evidence of improved quality would result from the annexation of comparable stand-alone units, common sense and simple arithmetic would indicate the Kessler Board I visited in February was correct in saying -- leave us alone.

## RECOMMENDATIONS

*"War is hell!"*
General Sherman, 1865

*"So is making school reorganization recommendations!"*
Ted Schwinden, 1993

Before setting forth the specific recommendations relative to school district consolidation and unification, it must be pointed out that this report and the recommendations it contains do not include an assessment of private and home schools. Also excluded from the study are two categories of public schools which I believe must be viewed as unique. The first of these groups includes the more than forty schools providing elementary education to the children of the Hutterite families in Montana. Presently, about half of those schools are public, the remainder private. I believe it very likely that mandated consolidation of their public schools would encourage Hutterite leaders to privatize them. Whether that is good public policy is a question I am not prepared to answer.

After long and thoughtful consideration I also decided to omit from this analysis those elementary and high school throughout the state that receive the preponderance of their funding from the federal government through Public Law 874. As a long-time resident of the Ft. Peck Reservation, I have more than a passing familiarity with Native American history. I am also aware of, and sensitive to, the problems associated with the past and present relationship between the Indian people and the federal government -- and the jurisdictional differences that exist between state and tribal entities. Future changes in the public school system that directly impact Indian schools should proceed only after the same type of state-tribal negotiation that produced water rights agreement in northeastern Montana and shared wildlife management in the Flathead Valley in the 1980's.

1. **If MSBA elects to recommend major changes in the school district structure of the state, it should urge the governor to convene a special session of the legislature with the single purpose of dealing with reorganization.** Four months of intensive research, and extensive personal and political experience, have not made the author of this report an expert on the issue of reorganization. Reorganization of an education delivery system that dates back more than a century is far too complex to be thrown into the usual biennial legislative mix of issues.

2. **Where high school and elementary district boundaries are nearly the same, the boundary commission created by 20-6-304, MCA, 1991, should have the authority, after appropriate public hearings, to adjust those district boundaries to coterminous status.** Such action would have the effect of bringing the redesigned areas under the provisions of Senate Bill 307 adopted by the 1993 legislature. (Chapter 194, Session Laws, 1993)

3. **Legislation still on the books from the old county high school period should be repealed.** Any remaining legal impediments to the unification of elementary and high schools in the communities and counties where county high schools still exist should be removed. The current dual school administration that exists in the Missoula, Big Timber, and Deer Lodge communities is a situation long overdue for reform.[64]

4. **A commission should be created to establish a minimum acceptable level of student population in a non-isolated high school.** A high school should be of sufficient size to effectively utilize staff, and to provide a program of diversity that affords students the opportunity to maximize their learning. Until there is some professional and political agreement on minimum size of high school, I am convinced little progress can be made in appropriate consolidation. I personally question whether high schools of less than 35 students can adequately serve the best interests of the students, or the taxpayers of a district -- but I readily concede I have no valid data to support that conclusion! Currently, only eleven non-isolated high schools in Montana have fewer than 35 stu-

dents, and nine of those have declined in attendance over the past decade. All are within 20 miles of the nearest high school. (Appendix III)

**5. When consensus is reached as to minimum high school size, (and that should be soon) the state should reduce funding of those small non-isolated schools to the level they would receive if they were consolidated with the appropriate adjacent school.** As noted earlier, I reject the notion that taxpayers in other areas of the state should subsidize the operation of expensive, non-isolated schools to satisfy community pride or parental nostalgia.

**6. Bonus payments to encourage school districts to consolidate should be eliminated.** The expenditure of $750,000 in bonuses to promote the annexation of 750 plus elementary students in the Helena area in 1985-88 was questionable fiscal policy. Iowa's experience with consolidation incentives indicated bonuses had minimum impact on the consolidation decisions of school districts in that state.

**7. Trustees of each stand-alone elementary district should be required to meet twice annually with the board of the high school district which receives their graduates.** One such meeting should focus on coordination of curriculum, and exploration of such items as cooperative purchasing of supplies and insurance. The other meeting should focus on a joint examination of the results of the progress reports now required annually by the Board of Public Education. (10.55.603(6) ARM) The county superintendent should be responsible for organizing and facilitating the biannual gatherings. In the short run, no other single action could better enhance both administrative efficiency and programmatic coordination than the simple step of getting trustees and administrators to sit down and address their common problems and shared goals. Cooperation of this type is occurring in some parts of the state. It needs to happen wherever districts are not currently unified K-12.

**8. If the political determination is made that Montana should move aggressively to reduce the number of school districts and administrative units, I recommend the state require all districts provide K-12 education.** Such a decision would undoubtedly meet strong opposition in many areas of the state. While only minor cost reductions should be anticipated, unification would assure programmatic continuity to students and permit a higher level of support services to outlying learning centers. If policymakers proceed with the statewide unification concept, they should draw on the recommendation of prior studies and create redistricting committees at the local and state level to insure that the unique characteristics of local communities are considered. Senate Bill 322, introduced in the 1987 session by Senator Neuman, provided one method of implementing reorganization and could serve as a starting point for discussion.

**9. The state should continue to encourage the use of cost-effective distance learning technology and cooperative agreements.** Given the likelihood that Montana will retain its rural character for the near future, even substantial progress in consolidation will leave many Montana schools small by national standards. Small schools are inevitably handicapped in their ability to provide specialized programs to their students. To maximize the learning potential of our students, we need to exploit the opportunity technology provides to bring to our students what Montana geography denies them -- access to the information critical to make them competitive in a global society.

## EPILOGUE

*"... I truly believe we can build a well-educated, literate America by drawing on the legacy of courage and resourcefulness left us by our pioneer country schoolteachers."*

Barbara Bush

I recall surprisingly little of my "learning" at the one-room South School, located in the Tule Creek community in northeast Montana. I do remember a great deal about the people and the community it served.

The teachers are especially well-remembered -- neighbor youths with minimal formal training, but possessors of a wealth of understanding and patience. One such "schoolmarm" (as my dad called her) boarded with us in 1931; her twenty-four hour a day intrusion in my life was offset by the prospects of her beau coming to visit on the weekend on his Indian motorcycle.

Punishment was rarely inflicted; minor infractions merited only a boring stint facing the corner in the rear of the room. Real punishment was the prerogative of parents ... and the ultimate threat to the student contemplating mischief.

Recesses are retained as vivid kaleidoscopic images of "fox and geese," "ante I over," and staying out of the way of the "big kids." After school was "hoping time"; hoping parents found time and inclination to provide a ride home, and avoid the $2^1/_2$ mile hike.

I have no recollection of a graduation ceremony, but do have a chilling recollection of sitting in the county courthouse with all the other rural kids taking THE exam ... the county superintendent hovering over us, watching for straying eyes. That same superintendent had visited our school the year prior and had given eye exams; as a result, the Schwinden kid with 20/200+ vision could read the blackboard information for the first time.

But, most remembered of those years in the 1930's were the school doings; the box social and card parties, the Christmas programs, the school plays performed before proud parents. South School was the social center for the half dozen families whose children attended; it remained so until 1939 when the four remaining elementary students were bussed to Wolf Point with their high school peers. The school become a granary, the families remained friends, the children scattered. An era ended.

## END NOTES


1. Winston W. Wetzel, "School District Organization in Montana 1889-1964; Related to the Proposals and Attempts for Improvement," Doctoral Dissertation, Montana State University, 1964. Wetzel's work is the definitive history of school district reorganization history through 1964, and is required reading for any who wish to examine the first three quarters of a century of state efforts to consolidate schools.

2. Chapter 226, Laws of Montana, Sixteenth Legislative Assembly, 1919, p. 517.

3. Board of Public Education, "A Report for the Fiftieth Legislature: A Response to Senate Bill 15, January 15, 1987, p.1.

4. Wetzel, op. cit., p. 114-115.

5. Andrea Merrill, Montana Legislative Council, "The Organization of Montana's School Districts: Encouraging the Goals of Efficiency, Equity and Educational Opportunity, March, 1990, p.4.

6. Board of Public Education, op. cit., p.1.

7. Wetzel, op. cit., p. 141.

8. Ibid., p. 146-152.

9. Board of Public Education, op. cit., p. 2.

10. George Peabody College for Teachers, PUBLIC SCHOOLS OF MONTANA: A Report to Montana Taxation-Education Commission, 1958, p.v.

11. Ibid., p. 15.

12. Ibid., p. 17.

13. Ibid., p. 17.

14. Report of the Montana Taxation-Education Commission to the Governor, November, 1958, p. 6.

15. Ibid., p. 6.

16. House Bill 306, Archives, Montana Historical Society.

17. Veto Message, March 16, 1959, Records of the Secretary of State.

18. Dolores Colburg, "A Case for Changing School District Organization," Montana Business Quarterly, Summer, 1970, p. 8.

19. Ibid., p. 8-9.

20. Harry Fritz, "Montana: 1965 to 1975," MONTANA MAGAZINE, 1984. This article by Dr. Fritz provides an excellent overview of the unique combination of events that produced a new Montana Constitution and reorganization of the state executive branch. A solid piece of work.

22. DAILY MISSOULIAN, November 22, 1992.

22. "Hard Times, Hard Choices," MEA Today, February, 1993, p. 5.

23. Verbatim Transcripts, Montana Constitutional Convention, Volume II, p. 719.

24. Ibid., Volume VI, p. 2046.

25. Ibid., p. 2047.

26. Ibid., p. 2046.

27. Ibid., p. 2165.

28. Ibid., p. 2165.

29. School District No. 12, Phillips County vs Hughes (Pacific Reporter 552 P. 2d 328) 1976.

30. Ibid.

31. Jonathan P. Sher, "Class Dismissed: Examining Nebraska's Rural Education Debate," 1958, p. 1. This lively discussion of the battle in Nebraska over school consolidation is a good introduction into the educational and political consequences of mandated consolidation.

32. U. S. Department of Education, EDUCATION STATISTICS, 1992, p. 161.

33. Ibid., p. 85.

34. Interview with Dr. Wayne Buchanan, Executive Secretary, State Board of Public Education, January 19, 1993.

35. L. E. Scaar, "A Developmental Design for Administrative Reorganization of Montana High Schools," Doctoral Dissertation, University of Montana, 1970, p. 74-76.

36. Wetzel, op. cit., p. 121.

37. Ibid., p. 194.

38. E. Robert Stephens, "A Framework for Evaluating State Policy Options for the Reorganization of Rural, Small School Districts," Occasional Paper No. 32, Appalachia Regional Laboratory, 1991, p. 2.

39. Ibid., p. 21.

40. Ibid., p. 22.

41. Ardys Sixkiller Clarke, "The Relationship Between the Size of High School and College Success for Students Graduating from Montana High Schools and Attending Montana State University, Doctoral Dissertation, Montana State University, 1985, p. 41. This paper is, to the best of my knowledge, the ONLY examination of the college performance of Montana students from different size high schools. As such, it responds to the question of whether size of high school is a predictor of college success.

42. Ibid., p. 78-79.

43. Ibid., p. 129-130.

44. Sher, op. cit., p. 66.

45. E. Haller and D. Monk, "New Reforms, Old Reforms, and the Consolidation of Small Schools," Education Administration Quarterly, November, 1988, p. 474.

46. Ibid., p. 476.

47. Stephens, op. cit. p. 9.

48. W. Fowler and H. Wallberg, "School Size, Characteristics, and Outcomes," Educational Evaluation and Policy Analysis," Summer, 1991, p. 200.

49. Ibid., p. 200.

50. Interview with Robert Stockton, retired finance officer, Office of Public Instruction, February 18, 1993. Stockton also said that at the crucial meeting on reorganization the issue of which school will have the basketball team arose. The issue was quickly settled when a lanky student asked which had the better gym!

51. Michael S. Button, "Consolidation of the Sun River Valley Schools," Graduate paper, University of Montana, 1991, p. 82.

52. U.S. Department of Education, PUBLIC ELEMENTARY SCHOOLS AND AGENCIES IN THE UNITED STATES AND OUTLYING AREAS: SCHOOL YEAR 1990-91, June 1992, p. 9.

53. Button, op. cit., has an extensive summary of the controversy in the Sun River Valley area, and the lessons that trustees can learn from that experience.

54. Wetzel, op. cit., p. 134.

55. On March 10, 1993, I met with county superintendents during their annual convention in Helena. One surprising bit of information that emerged from the discussion related to the large number of students in Montana who attended school outside the district of their residence. The superintendents volunteered to survey their counties with a questionnaire identifying the number of such students statewide. A partial return shows that many parents and children are already exercising "choice" in our state. Nearly a thousand elementary and high school students in Flathead and Ravalli counties attend out-of-district!

56. George R. Bandy, "Financing the Public Schools of Montana," A Report to the Superintendent of Public Instruction, Undated, p. 56.

57. Guy W. Ghan, "Iowa School Reorganization: Where it has Been and Where it is Going," Department of Education, State of Iowa, 1990, p. 4.

58. Ibid., p. 5.

59. Ibid., p. 9.

60. Ibid., p. 11.

61. THE ARIZONA REPUBLIC, February 7, 1993, p. 1. In a move reminiscent of school reform efforts in Montana, the REPUBLIC reported in a March 30 headline; "Education Reform Bill Comes to Halt"! The Arizona senate decided to convert the "reform" bill into a two-year study of school funding!

62. Office of Public Instruction, "Education for a New Century," 1993, p. 4.

63. Association for Supervision and Curriculum. UPDATE, February, 1993, p. 3.

64. Dan Martin, Superintendent, Dawson County High School , in a January 26, 1993, letter noted the existence of three school boards in Glendive and wrote that "Without question, educational excellence is hampered by the multi-board format."

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Appendix I

# NUMBER OF DISTRICTS

| | # EL | # HS | # K-12 | INDEPENDENT EL | COUNTY HS | JOINT ADMIN | K-12 DISTRICTS |
|---|---|---|---|---|---|---|---|
| BEAVERHEAD | 8 | 2 | | 7 | 1 | 1 | |
| BIG HORN | 6 | 3 | | 3 | | 3 | |
| BLAINE | 8 | 3 | 1 | 5 | | 3 | HAYS/LODGE POLE |
| BROADWATER | 1 | 1 | | 1 | 1 | | |
| CARBON | 10 | 6 | | 4 | | 6 | |
| CARTER | 7 | 1 | | 7 | 1 | | |
| CASCADE | 8 | 5 | | 3 | | 5 | |
| CHOUTEAU | 8 | 4 | | 4 | | 4 | |
| CUSTER | 11 | 1 | | 11 | | 1 | |
| DANIELS | | | 3 | | | | FLAXVILLE, SCOBEY PEERLESS |
| DAWSON | 5 | 2 | | 4 | 1 | 1 | |
| DEER LODGE | 1 | 1 | | | | 1 | |
| FALLON | 3 | 2 | | 1 | | 2 | |
| FERGUS | 12 | 6 | | 6 | | 6 | |
| FLATHEAD | 19 | 4 | | 15 | | 4 | |
| GALLATIN | 15 | 5 | 1 | 10 | | 5 | WEST YELLOWSTONE |
| GARFIELD | 10 | 1 | | 11 | 1 | | |
| GLACIER | 4 | 2 | | 2 | | 2 | |
| GOLDEN VALLEY | 2 | 2 | | | | 2 | |
| GRANITE | 3 | 2 | | 1 | | 2 | |
| HILL | 8 | 5 | | 3 | | 5 | |
| JEFFERSON | 6 | 2 | | 4 | | 2 | |
| JUDITH BASIN | 3 | 2 | 1 | 1 | | 2 | HOBSON |
| LAKE | 7 | 4 | 1 | 3 | | 4 | ST IGNATIUS |
| LEWIS & CLARK | 9 | 3 | | 6 | | 3 | |
| LIBERTY | 4 | 2 | | 2 | | 2 | |
| LINCOLN | 7 | 2 | 1 | 5 | | 2 | LIBBY |
| MADISON | 5 | 4 | | 1 | | 4 | |
| MCCONE | 4 | 1 | | 3 | | 1 | |
| MEAGHER | 3 | 1 | | 2 | | 1 | |
| MINERAL | 3 | 3 | | | | 3 | |
| MISSOULA | 13 | 2 | | 12 | 1 | 1 | |
| MUSSELSHELL | 3 | 2 | | 1 | | 2 | |
| PARK | 8 | 3 | | 5 | | 3 | |
| PETROLEUM | | | 1 | | | | WINNETT |
| PHILLIPS | 6 | 4 | | 2 | | 4 | |
| PONDERA | 6 | 4 | | 2 | | 4 | |
| POWDER RIVER | 6 | 1 | | 5 | | 1 | |
| POWELL | 7 | 1 | | 7 | 1 | | |
| PRAIRIE | 1 | 1 | | | | 1 | |
| RAVALLI | 2 | 1 | 5 | 1 | | 1 | CORVALLIS, DARBY, FLORENCE-CARLTON, HAMILTON, VICTOR |
| RICHLAND | 6 | 4 | | 2 | | 4 | |
| ROOSEVELT | 6 | 5 | 1 | 1 | | 5 | BAINVILLE |
| ROSEBUD | 7 | 3 | | 4 | | 3 | |
| SANDERS | 8 | 4 | | 4 | | 4 | |
| SHERIDAN | 5 | 4 | | 1 | | 4 | |
| SILVER BOW | 4 | 1 | | 3 | | 1 | |
| STILLWATER | 8 | 5 | | 3 | | 5 | |
| SWEET GRASS | 5 | 1 | | 5 | 1 | | |
| TETON | 8 | 4 | | 4 | | 4 | |
| TOOLE | 3 | 2 | | 1 | | 2 | |
| TREASURE | 1 | 1 | | | | 1 | |
| VALLEY | 6 | 4 | 1 | 2 | | 4 | OPHEIM |
| WHEATLAND | 4 | 2 | | 2 | | 2 | |
| WIBAUX | 1 | 1 | | | | 1 | |
| YELLOWSTONE | 15 | 6 | | 9 | | 6 | |
| TOTAL | 339 | 148 | 16 | (11 NON OP DIST) | | *W/O NON-OP | |



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SCHOOLS UNIFIED BY CHAPTER 194, SESSION LAWS OF MONTANA, 1993.

| COUNTY | | DISTRICT | DISTRICT TAXABLE VALUATION |
|---|---|---|---|
| BEAVERHEAD | | LIMA ELEM | 1,695,797 |
| BEAVERHEAD | | LIMA H S | 1,695,797 |
| BIG HORN | * | PRYOR ELEM | 642,354 |
| BIG HORN | * | PLENTY COUPS HS | 642,354 |
| CARBON | | BELFRY ELEM | 1,367,173 |
| CARBON | | BELFRY H S | 1,367,173 |
| CARBON | | BRIDGER ELEM | 3,759,846 |
| CARBON | | BRIDGER H S | 3,759,846 |
| CARBON | | ROBERTS ELEM | 1,011,060 |
| CARBON | | ROBERTS H S | 1,011,060 |
| FALLON | | PLEVNA ELEM | 2,940,562 |
| FALLON | | PLEVNA H S | 2,940,562 |
| FERGUS | | ROY ELEM | 1,077,489 |
| FERGUS | | ROY H S | 1,077,489 |
| FERGUS | | WINIFRED ELEM | 1,905,113 |
| FERGUS | | WINIFRED H S | 1,905,113 |
| GOLDEN VALLEY | | LAVINA ELEM | 1,710,643 |
| GOLDEN VALLEY | | LAVINA H S | 1,710,643 |
| GOLDEN VALLEY | | RYEGATE ELEM | 3,443,226 |
| GOLDEN VALLEY | | RYEGATE H S | 3,443,226 |
| GRANITE | | GRANITE H S | 3,220,999 |
| GRANITE | | PHILIPSBURG EL | 3,220,999 |
| HILL | | BLUE SKY ELEM | 3,905,235 |
| HILL | | BLUE SKY HIGH | 3,905,235 |
| HILL | * | BOX ELDER ELEM | 1,028,156 |
| HILL | * | BOX ELDER H S | 1,028,156 |
| HILL | * | ROCKY BOY ELEM | 35,480 |
| HILL | * | ROCKY BOY HIGH | 35,480 |
| JUDITH BASIN | | STANFORD ELEM | 3,471,118 |
| JUDITH BASIN | | STANFORD H S | 3,471,118 |
| LAKE | * | ARLEE ELEM | 1,712,518 |
| LAKE | * | ARLEE H S | 1,712,518 |
| LAKE | * | RONAN ELEM | 5,293,800 |
| LAKE | * | RONAN H S | 5,293,800 |
| LEWIS AND CLARK | | LINCOLN ELEM | 1,849,215 |
| LEWIS AND CLARK | | LINCOLN HIGH SCHOOL | 1,849,215 |
| LIBERTY | | J-I ELEM | 3,988,032 |
| LIBERTY | | J-I HIGH SCHOOL | 3,988,032 |
| MADISON | | ENNIS ELEM | 11,157,620 |
| MADISON | | ENNIS H S | 11,157,620 |

| COUNTY | | DISTRICT | DISTRICT TAXABLE VALUATION |
|---|---|---|---|
| MADISON | | TWIN BRIDGES ELEM | 4,027,312 |
| MADISON | | TWIN BRIDGES H S | 4,027,312 |
| MISSOULA | | FRENCHTOWN ELEM | 16,610,304 |
| MISSOULA | | FRENCHTOWN H S | 16,610,304 |
| MUSSELSHELL | | MELSTONE ELEM | 985,823 |
| MUSSELSHELL | | MELSTONE H S | 985,823 |
| PONDERA | | BRADY ELEM | 3,121,040 |
| PONDERA | | BRADY H S | 3,121,040 |
| PONDERA | * | HEART BUTTE ELEM | 42,183 |
| PONDERA | * | HEART BUTTE HIGH SCH | 42,183 |
| PRAIRIE | | TERRY ELEM | 4,358,142 |
| PRAIRIE | | TERRY H S | 4,358,142 |
| ROOSEVELT | | FROID ELEM | 1,931,486 |
| ROOSEVELT | | FROID H S | 1,931,486 |
| ROOSEVELT | * | POPLAR ELEM | 7,705,962 |
| ROOSEVELT | * | POPLAR H S | 7,705,962 |
| SHERIDAN | | OUTLOOK ELEM | 1,503,673 |
| SHERIDAN | | OUTLOOK H S | 1,503,673 |
| SHERIDAN | | PLENTYWOOD ELEM | 5,183,039 |
| SHERIDAN | | PLENTYWOOD H S | 5,183,039 |
| TETON | | DUTTON ELEM | 3,888,631 |
| TETON | | DUTTON H S | 3,888,631 |
| TREASURE | | HYSHAM ELEM | 4,983,890 |
| TREASURE | | HYSHAM H S | 4,983,890 |
| VALLEY | | GLASGOW ELEM | 10,946,493 |
| VALLEY | | GLASGOW H S | 10,946,493 |
| WIBAUX | | WIBAUX ELEM | 4,073,266 |
| WIBAUX | | WIBAUX H S | 4,073,266 |
| YELLOWSTONE | | CUSTER ELEM | 2,158,017 |
| YELLOWSTONE | | CUSTER H S | 2,158,017 |
| YELLOWSTONE | | HUNTLEY PROJ ELEM | 7,078,885 |
| YELLOWSTONE | | HUNTLEY PROJ HS | 7,078,885 |

*OPTIONAL IF CONSOLIDATION OF THE ELEMENTARY & HIGH SCHOOL DISTRICTS RESULT IN A LOSS OF P.L. 81 – 874 FUNDS.

ISOLATION STATUS AND ENROLLMENT TRENDS
MONTANA'S SMALLEST HIGH SCHOOLS
ENROLLMENT BY DISTRICT - OCT. 1 REPORTS

| CO LE | ISO | DISTRICT NAME | - ENROLLMENT COUNT - FY93 | FY92 | FY86 | FY82 | CHANGE FY82-93 | MILEAGE TO CLOSEST SCHOOL |
|---|---|---|---|---|---|---|---|---|
| 14 0280 | * | ROY H S | 13 | 15 | 27 | 35 | (22) | 27 miles to Grass Range |
| | | | | | | | | 36 miles to Lewistown |
| 46 0831 | | OUTLOOK H S | 21 | 21 | 28 | 32 | (11) | 19 miles to Plentywood |
| 16 0355 | | WILLOW CREEK HS | 22 | 18 | 31 | 24 | (2) | 5 miles to Three Forks |
| 48 0859 | * | RAPELJE H S | 23 | 27 | 17 | 31 | (8) | 25 miles to Columbus |
| 19 0411 | | LAVINA H S | 24 | 24 | 23 | 28 | (4) | 17 miles to Ryegate |
| 53 0933 | | HINSDALE H S | 25 | 28 | 32 | 40 | (15) | 13 miles to Saco |
| 10 0200 | | FLAXVILLE H S (9-12) | 26 | 30 | 25 | 33 | (7) | 11 miles to Scobey |
| 19 0407 | | RYEGATE H S | 26 | 21 | 35 | 40 | (14) | 17 miles to Lavina |
| 56 0975 | * | CUSTER H S | 26 | 30 | 41 | 40 | (14) | 21 miles to Hysham |
| 48 0851 | | REED POINT H S | 27 | 24 | 18 | 14 | 13 | 17 miles to Columbus |
| 35 0642 | * | WINNETT H S (9-12) | 29 | 39 | 37 | 50 | (21) | 23 miles to Grass Range |
| 10 0196 | * | PEERLESS H S (9-12) | 30 | 30 | 29 | 26 | 4 | 20 miles to Scobey |
| 44 0795 | | ROSEBUD H S | 30 | 38 | 33 | 62 | (32) | 12 miles to Forsyth |
| 46 0819 | * | WESTBY H S | 30 | 30 | 50 | 52 | (22) | 24 miles to Plentywood |
| 23 0473 | | GEYSER H S | 32 | 24 | 45 | 39 | (7) | 15 miles to Stanford |
| 43 0785 | | BAINVILLE H S (9-12) | 32 | 28 | 40 | 34 | (2) | 15 miles to Culbertson |
| 21 1209 | | K-G H S (GILDFORD) | 33 | 32 | 29 | 33 | 0 | 15 miles to Blue Sky |
| 42 0748 | * | SAVAGE H S | 33 | 31 | 65 | 48 | (15) | 21 miles to Sidney |
| 03 0045 | * | TURNER H S | 34 | 31 | 29 | 29 | 5 | 31 miles to Harlem |
| 37 0682 | | BRADY H S | 35 | 37 | 34 | 14 | 21 | 11 miles to Conrad |
| 53 0928 | | FRAZER H S | 35 | 32 | 51 | 35 | 0 | 14 miles to Nashua |
| | | | | | | | | 19 miles to Wolf Point |
| 54 0949 | | JUDITH GAP H S | 35 | 28 | 25 | 22 | 13 | 17 miles to Harlowton |
| 01 0009 | * | LIMA H S | 36 | 33 | 47 | 50 | (14) | 50 miles to Dillon |
| 21 1220 | | BLUE SKY H S (RUDYARD) | 36 | 28 | 52 | 71 | (35) | 10 miles to J-I (Joplin) |
| | | | | | | | | 15 miles to K-G (Gildford) |
| 36 0663 | * | WHITEWATER H S | 36 | 33 | 17 | 32 | 4 | 38 miles to Malta |
| 56 0979 | | BROADVIEW H S | 36 | 40 | 31 | 36 | 0 | 14 miles to Lavina |
| 13 0256 | | PLEVNA H S | 38 | 38 | 30 | 35 | 3 | 13 miles to Baker |
| 14 0269 | * | GRASS RANGE H S | 39 | 35 | 30 | 41 | (2) | 31 miles to Lewistown |
| 43 0787 | | FROID H S | 39 | 39 | 39 | 31 | 8 | 13 miles to Culbertson |
| | | | | | | | | 12 miles to Medicine Lake |
| 05 0076 | | BELFRY H S | 40 | 41 | 46 | 30 | 10 | 11 miles to Bridger |
| 33 0608 | * | MELSTONE H S | 40 | 51 | 49 | 44 | (4) | 34 miles to Roundup |
| 42 0769 | * | LAMBERT H S | 41 | 38 | 38 | 46 | (5) | 20 miles to Sidney |
| 28 0543 | * | HARRISON H S | 42 | 37 | 39 | 37 | 5 | 26 miles to Ennis |
| 36 0657 | | SACO H S | 42 | 38 | 41 | 42 | 0 | 13 miles to Hinsdale |
| 53 0935 | * | OPHEIM H S (9-12) | 42 | 44 | 48 | 66 | (24) | 49 miles to Glasgow |
| 23 0469 | | HOBSON H S (9-12) | 43 | 46 | 56 | 69 | (26) | 18 miles to Stanford |
| | | | | | | | | 9 miles to Moore |
| 50 0893 | | DUTTON H S | 44 | 46 | 45 | 49 | (5) | 15 miles to Brady |
| 08 0154 | * | GERALDINE H S | 45 | 44 | 68 | 69 | (24) | 27 miles to Fort Benton |
| 14 0274 | | MOORE H S | 45 | 53 | 41 | 47 | (2) | 9 miles to Hobson |
| | | | | | | | | 14 miles to Lewistown |

| CO LE | ISO | DISTRICT NAME | ENROLLMENT COUNT FY93 | FY92 | FY86 | FY82 | CHANGE FY82-93 | MILEAGE TO CLOSEST SCHOOL |
|---|---|---|---|---|---|---|---|---|
| 14 0291 | * | WINIFRED H S | 45 | 38 | 27 | 44 | 1 | 37 miles to Lewistown |
| 26 0508 | | J-I HIGH SCHOOL | 45 | 37 | 27 | 34 | 11 | 10 miles to Chester |
| | | | | | | | | 10 miles to Blue Sky |
| 05 0069 | | ROBERTS H S | 46 | 38 | 36 | 36 | 10 | 13 miles to Red Lodge |
| 25 0503 | * | AUGUSTA H S | 46 | 36 | 43 | 84 | (38) | 21 miles to Simms |
| 06 0097 | * | CARTER CO H S (EKALAKA) | 47 | 49 | 82 | 97 | (50) | 35 miles to Baker |
| 36 0648 | | DODSON H S | 48 | 49 | 39 | 40 | 8 | 17 miles to Malta |
| 37 1226 | * | HEART BUTTE H S | 48 | 52 | NO HIGH SCHOOL | | | 37 miles to Valier |
| 43 0783 | | BROCKTON H S | 48 | 42 | 39 | 55 | (7) | 13 miles to Poplar |
| 25 1221 | * | LINCOLN H S | 49 | 41 | 72 | NO H S | | 55 miles to Simms |
| 08 0146 | * | HIGHWOOD H S | 50 | 43 | 35 | 30 | 20 | 20 miles to Belt |
| 11 0228 | * | RICHEY H S | 51 | 43 | 61 | 47 | 4 | 24 miles to Lambert |
| 52 0923 | * | HYSHAM H S | 56 | 56 | 56 | 70 | (14) | 21 miles to Custer |
| 50 0895 | | POWER H S | 59 | 51 | 48 | 52 | 7 | 10 miles to Dutton |
| 02 1214 | * | PLENTY COUPS HS (PRYOR) | 60 | 47 | 51 | 61 | (1) | 35 miles to Billings |
| 21 0426 | | BOX ELDER H S | 60 | 51 | 74 | 83 | (23) | 10 miles to Big Sandy |
| | | | | | | | | 15 miles to Rocky Boy |
| 05 0072 | | FROMBERG H S | 61 | 52 | 74 | 77 | (16) | 7 miles to Bridger |
| | | | | | | | | 16 miles to Joliet |
| 23 0464 | | STANFORD H S | 62 | 53 | 53 | 85 | (23) | 18 miles to Hobson |
| | | | | | | | | 15 miles to Geyser |
| 14 0282 | * | DENTON H S | 63 | 54 | 44 | 41 | 22 | 25 miles to Stanford |
| 45 0815 | * | HOT SPRINGS H S | 67 | 68 | 92 | 92 | (25) | 21 miles to Plains |
| 31 0577 | | ALBERTON H S | 69 | 59 | 58 | 75 | (6) | 15 miles to Frenchtown |
| 31 0582 | | ST REGIS H S | 69 | 58 | 48 | 56 | 13 | 14 miles to Superior |
| 20 0416 | * | GRANITE H S (PHILIPSBURG | 70 | 73 | 97 | 114 | (44) | 26 miles to Drummond |
| 53 0937 | | NASHUA H S | 72 | 65 | 75 | 83 | (11) | 14 miles to Glasgow |
| 16 0374 | * | W YELLOWSTONE H S (9-12) | 74 | 70 | 70 | 84 | (10) | 91 miles to Gardiner |

IN 1992-93, 64 HIGH SCHOOL HAD FEWER THAN 75 STUDENTS ENROLLED
19 HIGH SCHOOLS INCREASED ENROLLMENT FROM 1981-82 TO 1992-93
39 DECREASED
4 DIDN'T CHANGE
2 WERE NOT HIGH SCHOOLS IN 1982

*29 high schools are isolated, located 20 miles or more from the nearest school



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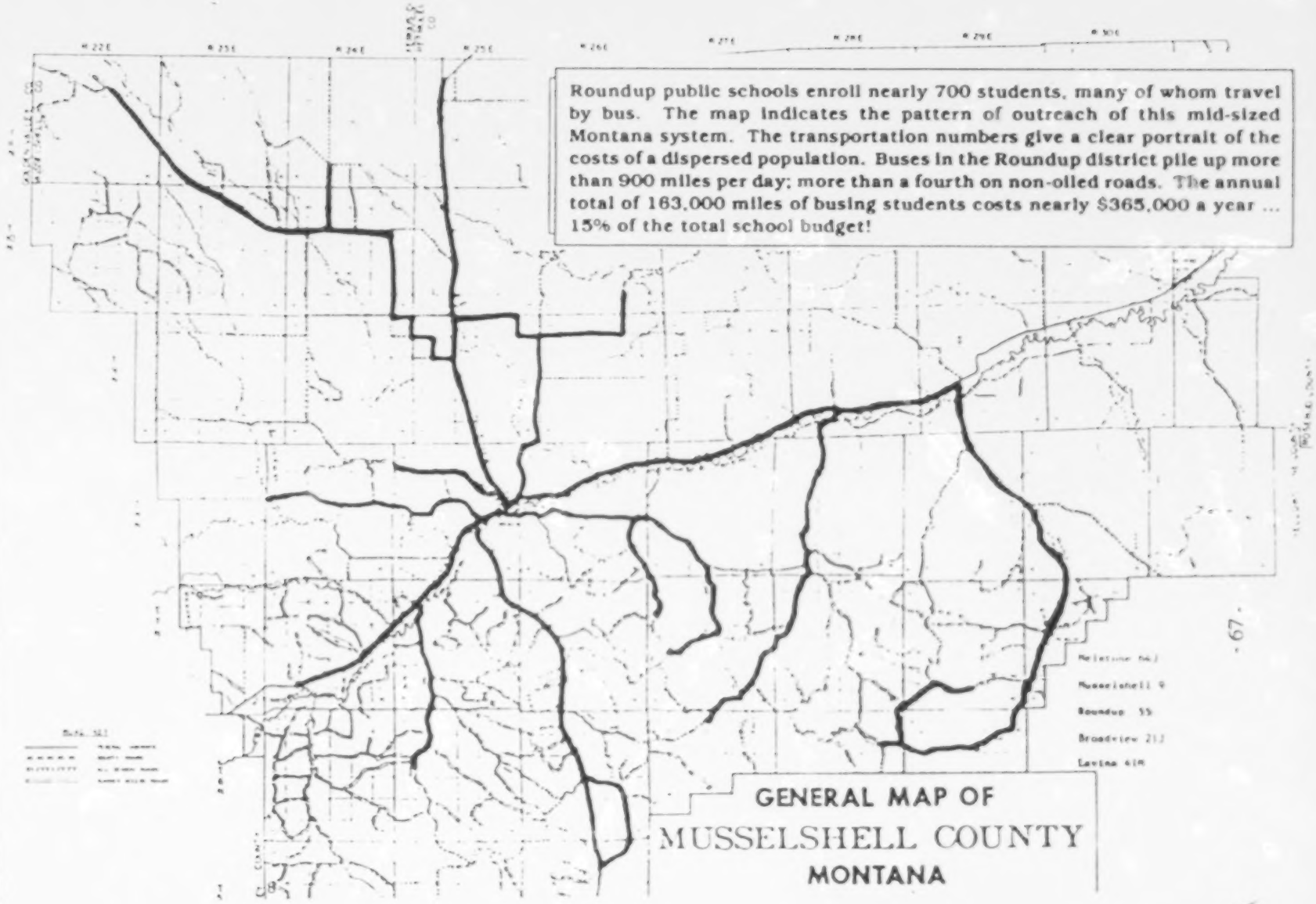
# ELEMENTARY DISTRICTS WITH LESS THAN 10 ANB

**1992-93 BUDGETS**

| COUNTY | | DISTRICT | TOTAL ANB | DISTRICT SHARE OF FOUNDATION | STATE SHARE OF FOUNDATION | TOTAL FOUNDATION SCHEDULE AMT |
|---|---|---|---|---|---|---|
| BIG HORN | | SQUIRREL CRK ELEM | 9 | 0 | 23,646 | 23,646 |
| CHOUTEAU | | KNEES ELEM | 9 | 0 | 23,646 | 23,646 |
| CUSTER | | HKT-BASIN SPR CRK EL | 9 | 0 | 23,646 | 23,646 |
| FERGUS | | AYERS ELEM | 9 | 0 | 23,646 | 23,646 |
| FLATHEAD | | PLEASANT VALLEY ELEM | 9 | 0 | 23,646 | 23,646 |
| LEWIS AND CLARK | | CRAIG ELEM | 9 | 0 | 23,646 | 23,646 |
| LIBERTY | | WHITLASH ELEM | 9 | 0 | 23,646 | 23,646 |
| CUSTER | | S H-FOSTER CRK ELEM | 8 | 0 | 23,646 | 23,646 |
| GALLATIN | ** | MALMBORG ELEM | 8 | 11,823 | 11,823 | 23,646 |
| GARFIELD | | BENZIEN ELEM | 8 | 0 | 23,646 | 23,646 |
| PHILLIPS | | LANDUSKY ELEM | 8 | 0 | 23,646 | 23,646 |
| SWEET GRASS | ** | BRIDGE ELEM | 8 | 11,823 | 11,823 | 23,646 |
| WHEATLAND | | TWO DOT ELEM | 8 | 0 | 23,646 | 23,646 |
| CHOUTEAU | ** | CARTER ELEM | 7 | 11,823 | 11,823 | 23,646 |
| FERGUS | | MAIDEN ELEM | 7 | 0 | 23,646 | 23,646 |
| GARFIELD | | BLACKFOOT ELEM | 7 | 0 | 23,646 | 23,646 |
| PARK | | COOKE CITY ELEM | 7 | 0 | 23,646 | 23,646 |
| PHILLIPS | | SECOND CRK ELEM | 7 | 0 | 23,646 | 23,646 |
| POWDER RIVER | | HORKAN CRK ELEM | 7 | 0 | 23,646 | 23,646 |
| SANDERS | | CAMAS PRAIRIE ELEM | 7 | 0 | 23,646 | 23,646 |
| SWEET GRASS | | MCLEOD ELEM | 7 | 0 | 23,646 | 23,646 |
| CASCADE | | DEEP CREEK ELEM | 6 | 0 | 23,646 | 23,646 |
| CUSTER | | WHITNEY CRK EL | 6 | 0 | 23,646 | 23,646 |
| FERGUS | | COTTONWOOD ELEM | 6 | 0 | 23,646 | 23,646 |
| GARFIELD | | SAND SPRINGS EL | 6 | 0 | 23,646 | 23,646 |
| GARFIELD | | KESTER ELEM | 6 | 0 | 23,646 | 23,646 |
| GARFIELD | | BIG DRY CREEK ELEM | 6 | 0 | 23,646 | 23,646 |
| MCCONE | | PRAIRIE ELK ELEM | 6 | 0 | 23,646 | 23,646 |
| POWDER RIVER | | SO STACEY ELEM | 6 | 0 | 23,646 | 23,646 |
| POWDER RIVER | | BILLUP ELEM | 6 | 0 | 23,646 | 23,646 |
| CARTER | | JOHNSTON ELEM | 5 | 0 | 23,646 | 23,646 |
| CHOUTEAU | | WARRICK ELEM | 5 | 0 | 23,646 | 23,646 |
| FERGUS | | KING COLONY EL | 5 | 0 | 23,646 | 23,646 |
| HILL | ** | DAVEY ELEM | 5 | 11,823 | 11,823 | 23,646 |
| MEAGHER | | RINGLING ELEM | 5 | 0 | 23,646 | 23,646 |
| BLAINE | | LLOYD ELEM | 4 | 0 | 23,646 | 23,646 |
| CARTER | | RIDGE ELEM | 4 | 0 | 23,646 | 23,646 |
| CUSTER | | TWIN BUTTES EL | 4 | 0 | 23,646 | 23,646 |
| FERGUS | | SPRING CRK COLONY EL | 4 | 0 | 23,646 | 23,646 |
| GARFIELD | | ROSS ELEM | 4 | 0 | 23,646 | 23,646 |
| ROSEBUD | | ROCK SPRING ELEM | 4 | 0 | 23,646 | 23,646 |
| STILLWATER | | NYE ELEM | 4 | 0 | 23,646 | 23,646 |

** NON-ISOLATED SCHOOLS ARE REQUIRED TO PAY ONE HALF OF TOTAL FOUNDATION SCHEDULE

Appendix V


Roundup public schools enroll nearly 700 students, many of whom travel by bus. The map indicates the pattern of outreach of this mid-sized Montana system. The transportation numbers give a clear portrait of the costs of a dispersed population. Buses in the Roundup district pile up more than 900 miles per day; more than a fourth on non-oiled roads. The annual total of 163,000 miles of busing students costs nearly $365,000 a year ... 15% of the total school budget!
GENERAL MAP OF
MUSSELSHELL COUNTY
MONTANA

## NUMBER OF CONSOLIDATIONS SINCE 1972

| FY | ELEM | HS |
|---|---|---|
| 72 | 2 | 4 |
| 73 | 4 | 0 |
| 74 | 5 | 0 |
| 75 | 6 | 0 |
| 76 | 3 | 0 |
| 77 | 3 | 0 |
| 78 | 5 | 0 |
| 79 | 0 | 0 |
| 80 | 0 | 0 |
| 81 | 1 | 2 |
| 82 | 2 | 1 |
| 83 | 0 | 0 |
| 84 | 1 | 0 |
| 85 | 0 | 0 |
| 86 | 2 | 0 |
| 87 | 0 | 0 |
| 88 | 1 | 0 |
| 89 | 2 | 0 |
| 90 | 1 | 0 |
| 91 | 3 | 1 |
| 92 | 1 | 0 |
| TOTAL | 42 | 8 |

## LEARNING FROM OUR PEERS ...
## THE IOWA EXPERIENCE

There is an inherent risk in any attempt to transfer the experience of another state to our own. Too many variables exist in terms of historical culture, constitutional authority and political structure. However, given that public education has been a unique national priority that preceded the birth of this nation as evidenced by the Northwest Ordinance of 1787, it is clear that national trends in education influence all the fifty states. The clamor for reform of America's public school system that followed the publication of "A Nation at Risk" more than a decade ago touched every corner of this country.

The state of Iowa exhibits many more differences than similarities with Montana. With nearly four times the population located in a land area roughly forty percent of that of Montana, Iowa entered the post-WWII era with nearly four times the number of school districts as the Treasure State ... 4558! And, that number reflected a dramatic decline from the more than 16,000 districts in 1900. In 1953, Iowa adopted an official policy of encouraging reorganization of school districts into such a number of units "... as are necessary, economical and efficient and will insure an equal educational opportunity to all children in the state."[57] The result was the reduction in districts by approximately 75% ... to 1056 by 1965.

While official state policy was unquestionably a motivating factor in bringing about the dramatic reduction in Iowa school districts, a number of other factors were also at work. Like Montana, Iowa was witnessing a rapid drop in farm numbers and a shift of population from rural to urban areas. The development and enforcement of new accreditation standards by the state clearly impacted small, rural schools. And, as one author explained, there was a "... gradually developing sense among citizens that the old one room schoolhouses were not meeting the needs of the mid-20th century."[58]

In Iowa, as was the case in Montana, the decades of the 60's and 70's proved to be tranquil periods insofar as school district reorganization was concerned. In 1985, the quiet era ended and a series of events occurred

that was to reduce the number of Iowa districts to 418 by mid-1992. The rural to urban population shift continued, and it was coupled with a decline in total population ... trends consistent with the Montana experience even to the loss of Congressional representation. Legislative initiatives were enacted in Iowa to provide financial incentives to consolidating districts but seemed to have little impact on individual district actions.[59]

In reviewing the annual reports of the Iowa Department of Education, I am convinced that another major factor in the rapid decline of school districts was the active role played by that agency of state government. Unlike Montana, where the level of direct involvement in school district reorganization by the State Board of Public Education and the Office of Public Instruction has been minimal, the Iowa DOE has provided impetus to consolidation, including the provision of consultant services.

In assessing the parallel history of reorganization in Iowa, it must also be pointed out that the drastic reduction in school districts over time has not been without intense controversy. Raw emotions surfaced from time to time and resulted in acts of vandalism and threats of personal harm to school trustees.[60] While such problems may not be an inevitable product of consolidation efforts, they serve notice that reorganization proponents must include affected individuals to the maximum extent possible to reduce the level of divisiveness and the likelihood of confrontational activity.

## SITE-BASED DECISION MAKING ... PANACEA OR PANDEMONIUM

> *"Montana Schools will encourage parent involvement by promoting an environment in which parents are valued as primary influences in their children's lives and essential partners in their children's education and development."*
> Resolution of the Montana Congress of Parents, Teachers and Students (MPTSA)

No discussion of school administration today would be complete without mention of the current focus on site-based management, a concept that goes a significant step beyond the position of the MPTSA cited above.

Earlier this year the Arizona legislature considered legislation that would require every public school in that state "to have a council that could issue contracts, set salaries, handle school finances and set curriculum"! Sponsors said the idea was to "rein in" power held by school boards and give it to parents and teachers.[61]

In her 1993 report to the legislature, State Superintendent Nancy Keenan noted that among the school restructuring issues being discussed in Montana was site-based decision making in which "... teachers, other school staff and community members have a major role in making school decisions."[62] In my February visit to the Kessler School, the administration shared the results of in-house discussions that included site-based management.

Across America, decentralization has drawn increasing attention from large urban districts struggling to improve their school systems. In cities like Chicago and Miami, school districts have acted to reduce the size of central offices and enlist parents and teachers in the administrative process. Results have been mixed. In Dade County (Miami) district, after four years of site-based management, student achievement is down and test scores have regressed each year.[63]

Site-based decision making is no novelty in Montana. In fact, to the critics of the existing Montana educational delivery system, the 503 operating school districts and their 1600 locally-elected trustees already represent an excess of site-based managers! Given the active statewide presence of MPTSA units, and the reality that most Montana school decision makers are easily within the reach of an interested citizen by phone or personal contact, Montana's need for further administrative decentralization would appear to be minimal at the present time.

## A VIEW FROM THE TRENCHES ...
## THE SHIELDS VALLEY CONSOLIDATION

Of the dozens of interviews, discussions, and letters received during the preparation of the PROJECT SEEDS report, one particular piece of information provided a unique insight into the issue of consolidation. Reproduced below, as it was transmitted to me by Dennis Kimzey, superintendent of Beaverhead County High School, is a view of consolidation from an insider. Garret Franks, author of the letter, presided over the consolidation of Wilsall and Clyde Park elementary and high school into the Shields Valley public school system in 1990. Franks' letter sets forth in concise detail his assessment of the impact of the consolidation on the two schools.

01/28/93

Mr. Dennis Kimzey, Supt.
Beaverhead County High School
104 North Pacific
Dillon, MT 59725

Dear Dennis:

When I pick up the newspaper, I can see you and the other Montana administrators have some real challenges facing you. Maybe I was smart to get out last year! I still hope this finds you doing well and having a good school year.
I feel for my colleagues who are being attacked by legislators from all sides these days. Those of you still in the field are certainly going to have some difficult days ahead of you. Education in Montana is facing some difficult times.

Thank you for this opportunity to provide some input on school consolidation. I don't want to sound pessimistic but that is where I am when I hear that school consolidation will save money. Montana's politicians will not save money in their efforts to consolidate or unify school districts. This is what we experienced when Wilsall and Clyde Park consolidated two years ago.

**Administration** - We still needed two administrators - one in each community. Instead of two superintendents and a part-time principal, we had one superintendent and one principal. Now that we had a larger school district, the superintendent's salary was increased to the average salary of similar sized schools. The principal, the former superintendent, received the same salary because he had to work 12 months that first year of consolidation. For the second year of consolidation, the principal went to a ten month contract with no change in his salary.

**Staff Salaries** - Now that our school district was larger, the staff wanted their salaries increased to meet the average of similar sized school districts.

**Transportation** - Since we continued to use all the school buildings in both communities, our transportation costs increased to get our students to their respective buildings. Our junior high was located in Wilsall, our high school in Clyde Park and both communities had grade school students. An activity bus was added to get our students to and from Wilsall and Clyde Park for extra-curricular activities. We also incurred additional costs because we had to pay mileage to our teachers who taught at both the high school and junior high levels.

**Building costs** - We had to remodel a bus garage and turn it into an industrial arts shop.

**Textbooks, Supplies, and Equipment** - In an effort to provide our students with better educational opportunities, we purchased more textbooks, desks, computers etc. One additional class was added to our curriculum.

**Athletics** - New uniforms and additional equipment had to be purchased to accommodate the new mascot and school colors.

**Hot Lunch** - Our hot lunch programs were retained in both communities with little or no changes.

**Custodians** - Retained with no changes.

**Office Personnel** - One school clerk was given the position as school secretary with a reduction in wages. Letterheads and envelopes had to be printed with the new school information.

**Aides** - A library aid position had to be added. Teachers were requesting more aides to help with morning duty, noon duty and assistance in the classroom. Prior to consolidation, our teachers always took morning duty, noon duty, recess, and bus duty and considered it part of their job. After consolidation, we had to be like the bigger schools and bigger schools hire aides. The school board refused to hire aides.

**Counselor** - In Wilsall, we had a counselor available two periods a day. In Clyde Park, the superintendent served as the guidance counselor. We hired a full-time counselor who traveled between the two communities to serve the students following consolidation.

**Taxable Valuation** - Our combined taxable valuation of course increased. Because of this the mill levy in Wilsall decreased and the mill levy in Clyde Park increased. We received $100,000 each year as our consolidation bonus money for three years. We did not increase our mill levy for this three year period because of the bonus money we were receiving. Now that the bonus money has expired, mill levies will have to be increased to maintain the educational programs that have been implemented in operating the consolidated school district. The State of Montana did not save any money and our local taxpayers will not save any money now that they have to make up the $100,000 shortfall. Of course, we told our constituents that we were consolidating to provide our students with better educational opportunities and not to save money.

The only way the state can save money, I feel, is to close some rural schools. For example, in Sweet Grass County, we have four rural schools. Three of these schools are within 12 miles of Big Timber with the school buses going to the front door of each to pick up high school students. All of the students attending these schools could be easily accommodated in the Big Timber Grade School without adding teachers or increasing costs. The sad part of this is that three or four teachers would be unemployed. Of course, this is reality when you close schools. If the Willow Creek school were to close, these students could go five miles down the road to Three Forks. There would be some additional cost for transportation in this case. If the high school in Reedpoint were to close, the students would attend either Big Timber or Columbus again with an increase in transportation but nothing else.

In closing, I would again like to reiterate that consolidation will not save money but closure will. Thanks again for this opportunity to provide my input.

Sincerely,

*Garret*

Since the Franks letter mentions Sweet Grass County schools, some discussion of those schools seems necessary. Fortunately, the Board of Trustees of the Sweet Grass County High School asked Superintendent Richard Webb to do a consolidation/unification study of the county. The Webb study looked at three options; the first contemplated consolidation of all rural elementary schools with Big Timber Elementary, but retained each as a learning center. The second option differed only in that all rural

centers would be closed and the children transported to Big Timber elementary. Option three proposed that option two be implemented into a unified K-12 district. Webb projected substantial savings (about 13% of current elementary expenditures countywide) with options two and three, based on the closure of the rural elementaries and the presumption that Big Timber elementary could absorb the additional students without additional costs. Superintendent Webb emphasized the preliminary nature of his study and has urged his board to further evaluate the possibility of consolidation/unification.

# EQUALIZATION, CONSOLIDATION, AND HB 667

More than halfway through Montana's 53rd Legislative Assembly, a major revision of public school funding was moving toward adoption. HB 667 represents the most significant equalization proposal since the passage of the Foundation Program in 1949.

The primary focus of HB 667 is clearly directed toward the resolution of the litigation instituted by the underfunded and rural school coalition. However, enactment of HB 667 into law will introduce important new budgetary criteria that relate directly to reorganization decisions.

Kremlin/Gildford, one of the first school district consolidations to benefit from the enactment of bonus incentives in 1971, is one potential victim of HB 667! The maximum general fund budget established by HB 667 is well below the current budget of K-G high school. Moreover, Blue Sky district, the adjacent school and most likely candidate for possible future consolidation with K-G, is also adversely affected by HB 667. Forced by the new funding formula to reduce spending in the future years, trustees in the two districts would be expected to explore the possibility of further consolidation. However, any consolidation decision would be tempered by another feature of HB 667.

HB 667 provides a $200,000 base entitlement to each high school regardless of size, so a consolidated K-G/Blue Sky would forfeit that amount as a single district. Moreover, since HB 667 utilizes a student reduction factor (the per student allocation is reduced by $.50 for each additional ANB), the larger ANB in the consolidated district means fewer dollars for additional students. With a current combined general fund expenditure of $890,000.00, a $200,000 "hit" is a powerful deterrent to the consolidation of the 60 plus students currently enrolled in the two schools.

If HB 667 is enacted as currently written, the state will have enacted a funding equalization policy that has the potential to penalize school district consolidation, while maintaining an incentive program to provide bonuses to districts that choose to consolidate. Small wonder some citizens regard government policy with head-shaking disbelief!

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